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LATIN AMERICA REPORT

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BRIEFS

ALTIPLANO GAS PIPELINE--According to the Bolivian Government Oil Deposits [YPFB] 1983 work schedule, YPFB will invest \$13.1 million, equivalent to 2,576 million pesos, in building a gas pipeline to the Altiplano region. The project, whose total cost amounts to \$57.6 million (11.3 billion pesos), will be financed with foreign loans and YPFB capital. [Excerpt] [La Paz PRESENCIA in Spanish 18 May 83 p 1 PY]

OIL RESERVES--La Paz, 6 Jun (AFP)--It was learned in La Paz today that Bolivia's oil reserves will last for another 13 years. A report released by Bolivian Government Oil Deposits [YPFB] states that oil reserves totaled 166,759,000 barrels of crude and condensed oil on 1 January 1983. The estimation was made based on the average oil production in the past 10 years, which was of 12.3 million barrels yearly. YPFB adds that 83.39 percent of the reserves are managed by the state and 16.61 percent by contractors. [Excerpts] [Paris AFP in Spanish 2356 GMT 6 Jun 83 PY]

CSO: 3348/443

CARIBBEAN PRESS COUNCIL CONSIDERS SITUATION IN GRENADA

Port-of-Spain TRINIDAD GUARDIAN in English 6 May 83 p 18

[Article by Edward Fields]

[Text]

THE EXECUTIVE Secretary of the Caribbean Press Council who was in Nassau Sunday to report to a meeting of the Caribbean Publishing and Broadcasting Association, gave some facts surrounding the closure of Grenadian newspapers, which did not make matters look too good for the "freedom of the Press" concept in the small nation.

Mr Alister Hughes, holder of that post and a Grenadian journalist, spoke first of the purpose of the CPC, defining it as an autonomous instrument for maintaining ethics in the media in the region.

The CPC, chaired by University of the West Indies law faculty chief Aubrey Fraser, deals specifically with complaints by the public against the media and by the media against individual institutions like governments, corporations, etc.

It does not interfere in libel and/or any other legal procedures and acts on the premise of moral enforcement, as it has no legal sanctioning base.

Up to 1979, there were no National Committees of the CPC, but as a result of constitutional amendments in 1980, such entities now exist in Barbados, Trinidad and Tobago, Belize, Guyana, St. Vincent and Dominica. Committees are to be set up in the very near future in Jamaica and The Bahamas.

One of the actions which the CPC is now involved with is rather close to Mr. Hughes as a journalist in Grenada.

After the New Jewel Movement took over the Government there in March, 1979, the national newspaper, "The Torchlight," was closed by the Government, accused of being a destabilising and counter-revolutionary force.

The CPC investigated the matter and discovered these charges to be completely unfounded. Subsequent-

ly, appeals were made to the Government to repeal its decision. All efforts have proved futile, however, as the Government has not even responded.

Shortly after "The Torchlight" was shut down, according to Mr. Hughes, a law was enacted stating that there could be no alien share-

holders in a company publishing a newspaper in Grenada, and that no one person could hold more than four per cent of the shares.

As a result of this, and in the interest of free speech, Mr. Hughes, along with 25 other Grenadians representing a cross-section of the citizenry, chipped in \$100 apiece and formed "The Grenadian Voice". Each person held less than four per cent of the shares.

On June 13, 1981, the first issue of "The Grenadian Voice" was published. Mr. Hughes said that the only thing that appeared in the paper that may have offended the Government was a statement contained in the editorial which called for democratic elections.

The newspaper was just about to distribute its second volume when at midnight on June 18, seven to eight Security Force vehicles pulled up. Thirty or so visably unarmed members of the Security Force then confiscated the four vehicles to be used for distribution, and all the equipment used at the paper.

The next day the Government, under Prime Minister Maurice Bishop, put another law on the books (making it retroactive for three days), stating that there were to be no newspapers published in Grenada for a year.

The paper's editor, Mr. Leslie Pierre, and two barristers responsible for the drafting of the paper's documents, Mr. Lloyd Noel and Mr. Tilman Thomas, were arrested and are still in jail. They have not yet been charged or brought to trial.

Mr. Hughes was kept under a 24-hour surveillance of six weeks, his telephone was disconnected for 10 months and his car (one of those confiscated) was not returned for eleven months.

Two months after the incident occurred back in 1981, Mr. Hughes was due to meet Mr. Fraser (CPC chairman) in Barbados. Though he had received clearance from the tax authority, customs and immigration, he was not allowed to leave. He was told that his tax record was "under investigation".

When Mr. Hughes contacted the comptroller of the Tax Department, the comptroller said he knew nothing about it. After three weeks and nothing was found he was called to leave.

During the three weeks, however his tax return was broadcast over the Government-owned radio station, even though such information is confidential by law.

All of the equipment belonging to "The Torchlight" and "The Grenadian Voice" that was confiscated by the Government is still being held. The CPC is still trying to resolve the matter.

Meanwhile, the only print publications in circulation are the Government-owned "Free West Indian" and the mouthpiece of the New Jewel Movement, "The New Jewel."

POLL SHOWS LARGE SEGMENT OF POPULATION REMAIN APOLITICAL

Political Representativeness

Buenos Aires MERCADO in Spanish 26 May 83 p 7

[Text] With this issue, MERCADO is providing its readers with another service: as political activity increases, it becomes necessary to have more information about voter trends, the influence exerted by the various factions and, in short, how public opinion develops in regard to the changing national political panorama. To meet that need, our magazine will provide, on a weekly basis, the Election Barometer, whose publication starts today. The survey is conducted by Decisions and Development, a political consultation and research company, and those in charge of the analyses are Raul A. Hernandez and Manuel Mora y Araujo. The following is their interpretation of the table shown below.

Lack of Representativeness

Argentina exhibits a lack of political representation: half of the population does not feel represented by any party. This lack can partly be attributed to the general apolitical situation which has prevailed in the country for many years: weak political institutions, channels of representation of interests alternative to the parties, cyclical stagnation of party life. But this lack can also be attributed to the inadequacy of the party themselves, to a flaw in their ability to provide representativeness.

There are citizens for whom representation means supporting the general values which they share. There are others, perhaps more numerous, who feel represented by a party when it understands their interests, their expectations regarding definite, specific issues.

The data show that Peronism is the best represented political faction. Argentina should take note of this fact: that faction has managed to translate the interests and expectations of a large part of the population into effective symbols and conducive actions. Other political forces have not managed to do so to the same extent. They have not found a suitable way to establish communication with the portion of Argentine society that remains underrepresented politically. Thus a large number of citizens will vote for parties and candidates without feeling represented by them.

It is particularly obvious that the representative ability of the moderate faction is slight. How can this fact be explained? Fragmentation into numerous parties is undoubtedly a significant contributing factor. But if we observe that the representative ability of traditionally well-established and well-organized parties, such as the UCR [Radical Civic Union], is not especially great, it may be concluded that there are other factors which need to be identified. They will have to be sought in that inability to firmly support the interests of sectors of the population whose expectations and preferences make them a potentially moderate electorate.

The problem of the parties of the political center is that they have not managed to introduce any innovations into their political proposals. For moderate parties, innovation implies a strong need for an objective approach to reality. That need cannot be met by simply offering more; on the contrary, it requires firmly supporting the real interests of particular sectors of the population. Without such an approach, it will be impossible to offer new prospects of personal possibilities capable of expressing the real needs and interests of the various social sectors.

The necessary stability which is a prerequisite for a genuine and effective democracy demands a political system capable of representing the various sectors of the population in a balanced manner. The parties proposing to represent the citizenry will have to come up with that ability in an innovative way.

Question: Do You Feel Represented by Any Political Party?

<u>Answer:</u>	<u>%</u>
Justicialism	22
Radicalism	15
Various Center Parties	4
Developmentism	1
Various Leftist Parties	1
Undecided	9
No Party	<u>48</u>
	100

(Sample: 400 persons over 18 years old in the federal capital and surrounding urban area, Cordoba and Rosario)

Source: Decisions and Development, Division of Political Analysis and Public Opinion

The Crisis of Representativeness

Buenos Aires MERCADO in Spanish 2 Jun 83 p 7

[Text] Sociological and political research clearly shows that the Argentine political system is suffering from a profound crisis of representativeness. Forty-eight percent of Argentines qualified to vote do not feel represented

by any political party. Who in Argentina today does not feel represented by political parties? Are they predominantly young or predominantly old? Or are they poorly educated or highly educated people? Is the social status of the majority of them high or low? Are the majority of them residents of the country's metropolitan areas?

Based on the data shown, the crisis of representativeness assumes levels of real seriousness in the most active segments of society. Among the youngest members of society (between 18 and 25 years old) in particular, 52 percent of that segment feels alienated from the political system. But the situation of the representativeness crisis, unlike other problems, cannot be resolved through greater education. The most educated segment is precisely the one suffering most acutely from this malady of disillusionment. Fifty-three percent of the most educated people do not feel represented.

The trend thus described seems to take on a general character in the groups of higher social status. In fact, people of higher social status express a greater tendency to feel unrepresented. Fifty-five percent of this segment does not feel represented by any political party. This is not the case on the lowest social levels, on which lack of representativeness is at a lower level (45 percent).

Finally, it should be noted that the tendency characterized by a poor feeling of representativeness in the political system constitutes a more profound problem in the cities of the country's interior. Whereas 57 percent of the population feels represented in the greater Buenos Aires area, in cities of the interior (Cordoba and Rosario) only 44 percent answered affirmatively, agreeing that they feel represented by some political party. The data undoubtedly show an outstanding crisis trend in the Argentine political system. This crisis is particularly affecting the youngest sectors of society, on one hand, and those most educated and with the highest social status on the other.

If we try to express this crisis state in the simplest terms possible, we would have to say that the social sectors in which educated young people predominate, with relatively good social status and mainly residing in cities of the interior, exhibit "political needs not yet satisfied." The crisis of the parties which we would classify as centrist in a broad sense is, to a good extent, the cause of this problem. The working-class sectors, the other side of the problem, are not suffering from such an acute crisis of representativeness.

Question: Do You Feel Represented by Any Political Party?

<u>Ages:</u>	<u>No</u>	<u>Yes</u>
Young People Between 18-27 Years Old	52	48
Adults Between 28-55 Years Old	50	50
Over 56 Years Old	42	58

Question: Do You Feel Represented by Any Political Party?
(Continued)

<u>Level of Education:</u>	<u>No</u>	<u>Yes</u>
Low Level of Education (up to incomplete secondary education)	47	53
High Level of Education (from complete secondary education)	53	47
<u>Socioeconomic Level:</u>		
Low Socioeconomic Level	45	55
High Socioeconomic Level	54	46
<u>Location:</u>		
Greater Buenos Aires	43	57
Cities of Interior	56	44

Source: Decisions and Development, Division of Political Analysis and Public Opinion

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ALFONSIN SPEAKS ON GOVERNMENT'S POLITICAL INTENTIONS

Buenos Aires A FONDO in Spanish May-Jun 83 pp 43-46

[Interview with Raul Alfonsin by Mariano Grondona and Bernardo Neustadt, aired on 12 May 1983; place not specified]

[Text] The Pact

Dr Raul Alfonsin: We can discuss this, and then I shall defer to your judgment. What do I have to prove? On the military side, I have to prove that meetings have taken place, and that the Armed Forces, or the Army in particular, over a period of time, has sought descendants for this process. It has sought to avoid in the future the problems of a review of the action that has been taken, both in the area of repression and in administrative acts in general.

[Question] You once said that you did not want to be a masochist; but it appears that the masochist is Lorenzo Miguel. They keep him in jail for 5 years, and then they want to reach agreement with him.

RA: Just think how remarkable that is, it is one of the fundamental proofs; because they are giving friends of his as many trade unions as they have given on normalizing commissions. They have repented of having kept him in jail. Because they like his looks? What is the real reason? There has been no compensation given; there has been absolutely nothing for people who have been, at the outset and I think improperly, described as corrupt. As is evident, they have put those people in the records, and suddenly they disappear from the records. Argument becomes a liability. First, it must be proven here that there was such a meeting. This was admitted by General Nicolaidis himself in the reply that appeared in the newspapers on 28 April, wherein he confessed that generals from that branch made contact with various members of the political and/or trade union leadership. But he made it perfectly clear that everything done in this area, like everything done in the Army, is the total, direct responsibility of the commander; in other words, he expressly mentioned the commander to the First Army Corps, in the statement made by General Nicolaidis that I had also mentioned, the advisory director of internal policy, namely, General Suarez Nelson, who is held directly responsible for all the action that was taken.

But what else must I prove? Because this alone would not represent evidence. I have to prove that this was a constant intention of the Army, that every man who went to the commander in chief of the Army attempted to legitimize himself,

ensuring that, in the future, there would be no review of the actions that have been taken, both in the realm of repression and in that of economic policy. Just think of it: it starts with Videla. Videla says that this process would have "offspring," that it would have descendants. General Videla was thinking of the MON [National Opinion Movement]; in other words, the formation of a political party that would ensure him the descendants. The economic disaster caused this idea to fail categorically. Then came General Viola, and the idea of the MON (which had had so much publicity, as you may recall) disappeared. It seems to me that General Viola wanted to renew the traditional parties; remember that General Liendo said that Peronism was a valid spokesman, and Radicalism as well. But this plan failed, because the "financial nation" destabilized Viola. And then came General Galtieri who attempted a candidacy with the Malvinas, backed by the different political parties, so as to emerge from the process on a continuist line.

[Question] Do you think that the Malvinas affair was the principal intention?

RA: I would not say that it was the principal intention, but I am sure that it was one of the intentions.

[Question] Allow me to confirm it. I believe that if we recover the Malvinas we shall have 40 years of Galtieri, without elections. But, in any event, do you know that your proofs still do not convince me?

RA: After the Malvinas, this government takes office, attempting a new method for protecting itself from the judgment of liability. This method is the agreement, which the political parties reject. So it has found this latter device.

It so happens, in my opinion, that a new process has been operating within the Peronist movement. Since General Peron's death, it has not achieved an internal discussion that would be logical within such a major popular force. Consequently, the only thing really structured is the Peronist trade union system. So, whoever controls the leading trade unions will most likely have a considerable influence on the Peronist candidacies.

I do not think that there is an adult in Argentina who does not understand, does not believe and is not certain that the government, through this entire process, has attempted a kind of continuism, for the purpose of avoiding the judgments of liability. But this alone is not proof either. Now, I must prove what has happened in the trade union area. I must prove whether or not there have been irregularities in the trade union area, for the purpose of showing compensation given. So I claim that these normalizing commissions, which are by no means stipulated in the law, exist. There has been a decree allowing them, and subsequently the intention of having a normalizing delegate, also apart from what had originally been stipulated in the law. There are scores of charges.

[Question] Dr Alfonsin, does Minister Villaveiran's call for elections appease you?

The Trade Union Normalization

RA: It appears to me to be quite proper; it is for this that we have been striving in all camps. I think that here, in order to get this process under way and to

continue with the implementation of an economic plan of disaster from a social standpoint, and to display signs of calamity, it was necessary to prevent the trade unions from acquiring strength. As Samuelson very aptly put it: "...Here, the policy of a market economy has not been applied; a market fascism has been applied"; because, in order to carry this out, it became necessary to direct a dreadful repression against the popular sectors.

[Question] I don't understand you, Dr Alfonsin. Is it that Martinez de Hoz weakened the trade unions in an attempt to keep from from being fascist, and now you want them strong so that they can put the country's economic life in order?

RA: No, Martinez de Hoz weakened the trade unions, not to prevent them from being fascist; he weakened the trade unions in order to carry out an economic policy that put an end to the chances for an economical industry in the country and that caused the most resounding drop in real wages known in the modern world. I want a strong trade unionism, because I have visited many labor confederations in the world: in the U.S., in Duesseldorf, the German confederation, in Italy and in Spain; and nowhere have the unions conspired against production. Even though they are all strong, they are completely democratic. The country's best economists are on the side of the labor leadership. They never ask for a measure that would conspire against the democratic process.

[Question] Does being democratic mean that there must be freedom of affiliation, with several unions for each branch of industry, or just one?

RA: I favor there being just one for each branch of industry, and a single CGT [General Confederation of Labor], if the workers so desire. Being democratic means structuring from bottom to top. It means that the comrade who wants to be an opponent or who is located on a different list is not dismissed, pressuring the business firm for that purpose. It means that there is no arrogance, that there is no fear, and that everyone can do what he really wants in the trade union area.

[Question] With regard to the single trade union and the single CGT, I wanted to show you the cover of a magazine that reads "Lorenzo Miguel, owner of the country."

RA: Well, that is only a cover. There are two CGTs here. Unfortunately, they have become divided into an internal one of a political party. I prefer them together. And I also think that, in each one of them there are people working seriously on behalf of trade union democracy. I am not bringing up any problem of a personal type here, much less generalizing. With regard to the trade union leaders, I am quite well aware that many of them would win the elections in their associations. But they must do this within the framework of democracy, because that is how the country is going to proceed. If there are no democratic trade unions, there will be no democracy in Argentina.

But there are other things which are highly important as well. For example, what was stated by Mr Taccone at an honorary banquet tendered him in Paris. On that occasion, they asked him what would happen if Alfonsin won. And he answered: "We would destabilize him in 3 months." How would Alfonsin be destabilized, by whom?

Lorenzo Miguel was asked why he did not assume a position on the problem of the excesses committed during the repression, the continuity of the present top Army echelons, the reorganization of the Armed Forces, the determination of military spending and the failure to review the illicit acts. His answer was: "I have not assumed a position because it is not fitting for me to do so. I would be meddling in a matter that is none of my business. That should be resolved by the future Congress, and I shall have nothing to do with it." All this was said in the statement to the press and was published. Dr Robledo also stressed his alleged official privilege through CGT-Brasil, claiming that, for this purpose, it would suffice merely to prove how the normalizing commissions were formed. And he said this at my press conference. I also discussed all this at a meeting with you yourselves. Then, during April, I had another program on television, and I stated it also.

I insist that it does not befit me to refute this; it must be done by the labor leaders.

[Question] Do you think that the party must stand above the trade unions within the Justicialist movement?

RA: I think that the party is something different. The trade unions must be independent of the parties, of any party. But that does not mean that the leaders would not have a political opinion.

[Question] Dr Alfonsin, do you have any response with regard to "the 77"?

RA: Yes, we are proud to hold this position. You may recall the Alta Gracia meeting during the Illia government, which put us at the head of the south's complaint against the north. This does not mean that we have abandoned the need for trading with the U.S and with Europe. But it does mean that we must attempt to internalize foreign trade in Latin America. We are situated in a struggle that must be for everyone. I do not believe that we are viable as independent countries in the economic realm if we do not learn to defend our interests as a group.

[Question] Do you think that "the 77" will return the Malvinas to us, or do you think that being on good terms with the U.S. will bring us closer to the Malvinas?

RA: The Malvinas are a goal which must be fundamental for the Argentines, but we cannot make the Versailles mistake, because that would lead us to a disaster. We cannot "Malvinize" the entire foreign policy. The country must be strong and powerful, and in order to be such it must make the pertinent complaint against discrimination, which has always occurred on the part of the north.

[Question] I shall ask again, do you think that India, or any country in Central America, will restore the Malvinas to us by its action or relations with us? Or whether, in some way, if we create a good relationship with the U.S., we shall be closer to the Malvinas?

RA: We must have the relations which are fitting with the U.S. It must be a mature relationship, founded upon the clearcut basis that there are interests which coincide, but that there are also differing interests, opposing interests. And, in this connection, I think that we must make complaints in the international forums. And, in the international forums, great importance is also assumed by the influence

and decision of all these sectors joined together for the purpose of demanding a new international order, universal peace and universal justice, in opposition to a north which, without any distinction based on political ideologies, is becoming increasingly needy, and is increasingly seeking to obtain what it lacks in the countries of the south.

[Question] It has been claimed that you have not followed the tradition of your party. It is claimed that the other branch, the Balbinist branch, is the one that has retained the tradition of Balbin in the embrace with Peron, and that you are, in a way, recreating an antagonism, a distinction.

RA: Quite the contrary. I do not by any means wish to create antinomy. I am quite convinced that I have an obligation (and I wish to be a genuine defender of democracy) to indicate what the distortions are. I believe that Peronism deserves my respect. It is respectable because of all that it has done in the defense of the worker in the country. But Peronism is not Ezeiza; Peronism is not the political pathology which represents the infiltration of left or right. Peronism is a major political party which must have sufficient maturity to embark on the debate of ideas, without succumbing to this kind of hyperbole, as the 62 Organizations have done. Because I mentioned three or four trade union leaders, they concluded from this that I was involved in a national conspiracy. I was linked with the guerrillas and with imperialist interests.

[Question] For example, do you agree with what Balbin did in 1973?

RA: I was one of the most enthusiastic advocates of the People's Hour. I gave an impetus to all that. And over 10 years ago, at a congress in Santa Fe, we sought a complete convocation with the other political sectors, including the Peronists, of course; and at that time I was called a leftist gorilla, because I raised my voice against the Three As and against Lopez Rega, inasmuch as that was also a distortion of democracy.

I believe that we must defend democracy in this way. This is coexistence, and this is the national unity that we are seeking. We must raise banners of national unity. But we must raise them not as if they were an end in themselves; national unity must serve democracy; and if there is anything that tries to attack democracy, we have an obligation to denounce it.

2909

CSO: 3348/456

TROCCOLI PROPOSES ECONOMIC MEASURES TO ALTER PRESENT COURSE

Buenos Aires MERCADO in Spanish 2 Jun 83 pp i-vii

[Interview with Antonio Troccoli of the Radical Civic Union by Edgardo Silveti and Ramon Perticarari; date and place of interview not specified]

[Text] [Question] There is a consensus that the country needs to embark on a stage of economic growth, of progress; of all the variables available to the government for stimulating the country to make progress, which ones would you choose to bring about growth?

[Answer] On the level of urgent, immediate needs, there is a poorly utilized productive apparatus that is idle to a great extent and which must be fully utilized gradually, starting with a vigorous and intense process of recovery. The recovery of the productive apparatus must be carried out by emphasizing two basic factors. The first is domestic consumption. The domestic market must be strengthened by increasing consumption, which means increasing the purchasing power of incomes. The purchasing power of incomes in turn has two variables which must be dealt with at the same time: the nominal increase in wages and the reduction of production costs, specifically beginning with the serious financial and tax burdens on the productive apparatus. Thus a policy for reducing interest rates and a policy for controlling the tax burden will help these benefits to employer costs to affect the purchasing power of wages. The second factor in bringing about recovery has to be a very vigorous exporting effort, not only of traditional production but also of industrial production, for which incentives must be provided that will enable such production to be competitive internationally. This is not only a required task of recovery, for the exporting effort and strict control of imports will make it possible to maintain or increase the balance of trade surpluses that will serve to improve the foreign trade sector.

[Question] Those are measures of a short-term program.

[Answer] Yes, which means it is what is needed immediately to attack what is stifling the present economic situation. In the intermediate and long term, this same emergency program must be part of something much more ambitious, something that will make it possible to structure a policy of growth in keeping with the country's natural and human resources and basically starting with investments. At this stage in the emergency program, investments

have been the variable of least quantity because it was a matter of utilizing idle installed capacity. In making this program part of a growth policy, the investment variable takes on special significance: investment not only to expand the productive structure but also to adapt it to current technological developments.

[Question] At the present time, there are industrial sectors that are three-fourths obsolete.

[Answer] And you must add rural areas to that technological backwardness, because the people believe that the countryside has survived the onslaught, but that is not the case. Rural areas have apparently survived and have stayed afloat, operating in an outdated way, rejecting the introduction of technological advancements and modernization of its productive apparatus.

[Question] Taking tractors as an example, rural areas are not motorized.

[Answer] In addition, technology which was available to the country, such as agricultural or veterinary sciences, have been abandoned because it is practically prohibitive to use fertilizers. Thus the problem of investment, in my opinion, constitutes the basic starting point for making a growth policy feasible. But there is something more, and I am not saying so on behalf of my party, because this was not decided within the party, rather I am speaking from a personal standpoint: the key to being able to make an investment policy feasible in immediate terms is the way in which the foreign debt is refinanced. If we continue to use trade balance surpluses for partial amortization of the financial burden or the principal, we will practically be condemning the country to recession or at least to stagnation. This can be economically feasible on paper. But this strategy is not feasible either politically or socially because economic recession or stagnation in Argentina makes its society a boiling cauldron on the verge of exploding. Consequently, this growth policy is based on the possibility that trade balance surpluses can be used for investments that are essential. Thus we come to the need for the country, as a nation as a whole and politically stronger, to have the understanding of creditors, who are jointly responsible with us for that indebtedness. Argentina needs a complete moratorium of no less than 3 years, during which time it would pay no interest or principal, so that those surpluses can be used for essential investments.

[Question] This is not only Argentina's problem, because the industries in the United States and the FRG, for example, are holding their financial systems responsible and are requesting such things of them.

[Answer] This is a world problem and creditors are already aware of it: the debtor world cannot pay. But there was an orgy of spending in Argentina, since not even the debt loans were used to improve or expand productive activities; the debt in Argentina was used to indulge in subsidized tourism, subsidized nonessential imports and financing to implement projects in the country's interior, projects that were carried out using Argentine labor and cement. Which means that there was fantastic waste.

[Question] In any case, Argentina is responsible for its foreign debt.

[Answer] We are responsible and we will have to pay it; we will hold the respective parties responsible, but as a country we must pay off our debt. But the issue is how and when, because we cannot dance a minuet on the edge of a cliff and let a deterioration of Argentine society wipe out any theoretical solution. Thus we need to organize our economy itself, to get it to a satisfactory level and then start amortizing our debt's interest and principal. This is what we need, because this is the only real way to structure or finance an investment policy. This policy is essential, because as we have said, this is the basis of the engine of growth, which will bring about social mobility and economic progress. And in the same way that the batteries or tires of an automobile need to be changed after it has been parked for a long time, the idle installed productive apparatus needs a large amount of investments, which we are not going to be able to obtain, at least during the initial period. If we can organize a growth policy and achieve 2 or 3 years of growth, order and security, investment will begin to grow by itself as a result of the process of domestic capitalization and prospects will also arise for an increase in the opportunities for Argentina to obtain sources of credit once again.

[Question] When Chrysler, on the verge of bankruptcy, applied for a loan from the U.S. Government, what it ultimately obtained was a moratorium, for with that money it no longer needed to borrow from the banks. And perhaps it was a problem of liquidity and not of solvency. Perhaps the same thing is happening to Argentina and it needs a grace period.

[Answer] In my opinion, Argentina needs a grace period of no less than 3 years, during which the country will have to reverse this backward trend toward recession and, as a result, make sure that the engine of growth is operating with social justice and with all the balances that must be re-established. Growth has a multiplier effect itself, produces new expectations, confidence and certainty, thus game rules will have to be established that will make it possible for investment, labor and production to become priorities again and for the financial, tax and exchange systems to serve that higher goal. These are the basic requirements for the economic policy in the immediate future.

[Question] In a way, it would be returning to a real economy, which is an economy of production. In that context, there are some considerations which are important: the exchange rate, the interest rate, wages. What would be the general guidelines for focusing on the management of these major considerations?

[Answer] We have stated this in party documents and even in the Multipartite Agreement: We have to work at a high exchange level, which has multiple effects. For the present, it will make it possible for traditional exports to produce a tax yield and will make it possible to carry out an exporting effort in the case of industrial exports, which not long ago represented a significant contribution to the national economy. At the same time, it will mean quantitative restrictions on imports in order to continue the

improvement of the foreign trade sector. Simultaneous with maintaining high exchange levels, special consideration will have to be given to imports of industrial goods needed in rural areas, so that the export dollar will be in balance with the import dollar in order to balance out agricultural production and industrial production as well. By this I mean that absolutely necessary, essential imports for this task of recovery and growth must be given special consideration. I mean that even though we will have a nominal single exchange rate, in practice we will have different, multiple exchange levels for certain exports and certain imports.

[Question] The other consideration was the interest rate.

[Answer] Regarding interest rates, we do not believe that it will be possible, at least in the immediate future, for them to be managed with free trade. On the contrary, we believe that interest rates, or speaking more generally, that the financial burden was one of the factors which caused the economic asphyxiation and ultimately dismantled the productive process. The financial system must therefore be organized on the basis of a central bank with the ability and authority to determine both asset and liability interest rates and so that the financial burden will be neutral or slightly negative. This would make it possible for the historical accumulation of liabilities, at the same time as the new expectations, to be feasible and accessible to the productive apparatus. This means that we must return to the financial system philosophy which existed in the country from 1957 to 1973: a central bank with the power to set interest rates and at the same time to operate with the minimum necessary capital to make selective rediscounts feasible, whether by sector or by region. Thus it is obvious that the interest rate would not be a determining factor in the productive apparatus, but rather the opposite: it would be determined by political decision in order to give priority to recovery and growth.

[Question] The other major economic consideration is wages.

[Answer] In the case of wages, it is essential to incorporate an income policy within the framework of an overall agreement by the protagonists of the economic equation, that is, the productive sector, the labor sector and with the managerial participation of the government. Such an income policy must be based on a system that makes it possible to increase the purchasing power of incomes, without neglecting the necessary capitalization of the business sector, in view of the investments which it requires. This means that the labor sector and the business sector must be complementary and integrated.

[Question] Within this arrangement, the matter of public tariffs is also of great importance. What are your ideas in this regard?

[Answer] Before giving you a specific answer on tariff policy, I would say that the present despotic, oversized, arbitrary, excessively powerful government, which has not achieved any efficiency at all and has not even preserved the creative freedom of private enterprise, needs to be totally and fundamentally reformed. This is so true that if total government reform is not made a priority,

I believe that the entire recovery effort and the growth policy will run up against the inefficiency and bureaucratic excesses of this government, which has not only not denationalized the economy, but has ended up nationalizing society.

[Question] In our country, there is a contradiction which we don't even realize at times: we citizens are bound by the country's laws, but in reality we are manipulated by the circulars of the central bank and the resolutions of ministers. It seems that a circular of the central bank or the resolution of a minister has more force than the law, which at one time was enacted by the Congress of the Nation.

[Answer] Of course, even to the extent that transit police have the power to restrict freedoms for minor violations. That is why I insist on total government reform in order to find its correct size, but basically in order to make it possible to liberalize society, which means providing an environment and a setting for the creative imagination of individuals. The fate of the country's future development lies in this balance. I don't think that this can be done in one day or one year, but we must begin moving toward that total reform; otherwise, the urgent needs and duties of the government, at times legitimate, become confused so that the government seems to be producing things which it should not be producing. The government has arrogated to itself unnecessary activities, which have not been able to be transferred to the private sector; in the case of government subsidies, an insurance company was ultimately established, because it is providing compensation for accidents which it itself caused by its own intervention. Some day the country will know how much the financial crack has cost and it will also have to know how much the liquidation of business liabilities through an inflationary shock is costing. This cannot go on. We must return to the concept that the normative intervention of the government makes it possible to define and establish goals and to plan activities indicatively and democratically in order to know what kind of country we want; to put the greatest economic resources in the service of that goal, of those goals: credit, tax and exchange policies, that is, that which constitutes the government's reason for being. But proceeding by leaving the implementation of that national development program to private enterprise.

[Question] As during the administration of Dr Illia, who had an indicative plan through CONADE [National Council for Development]?

[Answer] Exactly. Then goals were defined and quantified; if private enterprise had been regulated since then to the present time, it would have had some game rules, the certainty of the goals to be achieved, and it would consequently have been channeling its investments and its activities toward achieving those goals. But in starting over, we need to stop putting up with government inefficiency. The government has to continue specifically to provide services and to achieve the reasonable efficiency which a service must have. But when an administrator demands a rate increase, it cannot be granted automatically. We must establish in every government corporation not only an auditing department to keep track of funds, but also a department to keep track of management. A determination will have to be made as to

whether management is consistent with those goals or, otherwise, whether we are up against an administration that is covering up the facts as they occur. If we don't do this, we will have a mad race over a factor that is fundamental to the integration of costs and which no one can control, because it is not subject to the respective regulations and because no one controls management efficiency.

[Question] It has been established that the power to levy taxes belongs to the Chamber of Deputies, while at the present time there are municipalities and provinces which, by an administrator's decision, create, increase or reduce taxes.

[Answer] Government reform and tax reform must be two pillars for making a growth policy feasible. Significant results can be achieved in the short term, because idleness and backwardness have been so great that it will be relatively simple to promote a recovery policy; but that recovery will run into a very low ceiling if an intermediate- and long-term growth policy is not organized at the same time. This points up the need to plan the economy by defining goals and quantitatively measuring resources and possibilities. But on the other hand, if these loose gears of government conduct and fiscal policy do not fit in with the policy of recovery and growth, it will be out of the question.

[Question] What does your experience as a legislator tell you about handling foreign investments? Must a new law be enacted, should the present one be maintained or should we let it be adapted to circumstances?

[Answer] I would talk about a basic law. This means establishing basic requirements, because inconsistent laws end up rendering unproductive the task which they are intended to serve. In my opinion, economic investment must be analyzed from an economic standpoint in terms of the foreign exchange balance, because this is the weak, vulnerable aspect of our economy's foreign trade sector. If foreign investment is used for the exporting effort, for substituting imports or for improving the productive apparatus and if it proves to be favorable to that balance, it will be welcome because it will serve the country's major goals. On the other hand, if it does not serve either one or the other, foreign investment will have to be analyzed from a much more rigorous standpoint, because it constitutes a burden due to royalties, dividends, etc. It is a burden in a sector which for a long time, the first 10 years for example, the traditional vulnerability of the Argentine foreign trade sector will put in the red. Real strategic reasons are an exception to all these arguments.

[Question] Argentina's relations with Europe have deteriorated at the present time; nor are our relations with the United States good, and several years ago we changed our position concerning Latin America. In your opinion, what is Argentina's future place in the world?

[Answer] Let us discount the political aspects of that deterioration of relations with Europe and the United States, because I believe that constitutional government will put things in order and that the rule of law will return.

The constitutional system will have to meet the requirements of the legal system, as a result of which Europe and the United States will cease to have the opinions which have caused them to treat us like war criminals. Incidentally, I would point out that neither Europe nor the United States have acted this way with other nations, which are guilty of real violations of ethics, violations of human rights, and yet those countries have not been ripped to shreds. In any case, the political aspect of international relations will be resolved; Argentina has to have good relations with the entire world, including Europe and the United States. From an economic standpoint, we have to get back to defining ourselves, first of all, as a Latin American country; our past lack of concern for deepening inter-Latin American relations has really been regrettable. In Latin America, we have the prospect of opportunity. As a whole, Latin America can have a decisive influence on the present world. At present, as a continent it is much more important than Europe: because of the volume of its gross product, the number of its inhabitants, the volume of its foreign trade. Thus we must deepen relations with other Latin American countries, not only for political reasons and reasons of race, religion and origin, but from a strictly economic standpoint. We will thus be able to obtain mutual advantages. Secondly, we must take the position of a country of the southern hemisphere. This North-South dialogue and the horizontal aspect of the South-South dialogue constitute a basic unit. Unfortunately, there is a lack of understanding, the East-West conflict has again put the world into a verticalized, bipolar structure in which the two superpowers have again returned to position of hegemony. That pluralism observed in the 1960's and 1970's has ended or at least it is in decline; the United States on one hand and Russia on the other are the two protagonists in the East-West conflict. There is an interimperial conflict, although in reality there is a kind of understanding whereby each one plays its own role and the southern hemisphere is an outlying area, a strategically important area as a supplier of raw materials, but not a participant in deliberations and in major decisions. The efforts which have been made within the Movement of Nonaligned Countries and the Group of 77, urging and pleading, have run up against the northern hemisphere's lack of understanding and as far as we can see, it is not apparent that this can be changed. Thus Argentina, a medium-sized power which considers itself a Latin American country, has to intensify from Latin America the dialogue with the South, which is made up of peoples and countries with similar problems, with the exception of ideology, because we are talking about the economic aspect, the effects of being able to bring about changes in our international trade relations. This will enable us to have more fluid prospects of opportunity and of greater advantages than currently offered to us by this bipolar world, which is again heading toward the rigidity of the 1960's.

[Question] Those two imperial countries, the United States and the Soviet Union, cannot force Argentina to side in favor of one or the other? Do we have room to maneuver and to be able to follow an independent policy?

[Answer] I think so, because the rigidity is not that great. Bipolarity is a theoretical expression, certainly representative of an event that is taking place, but it is not so total as to force a country such as ours, which has the means to be independent: we are not chained to the energy

problem; we have achieved and we have very specific possibilities of maintaining and increasing the self-supply of energy; we are suppliers with sizable food surpluses. Those are the two most critical aspects of international economic relations and that is where Argentina, with the full relativity of the concept, can formulate an independent foreign policy.

[Question] Human beings that we are, we make mistakes. Among the mistakes which were definitely made during the previous Radical administration, which ones should not be repeated?

[Answer] At the present time, I believe that we are going into an election battle with a new political position. This means that we are going to comply very quickly with Albin's order: "He who wins, governs; and he who loses, helps." We will comply if we happen to lose and we will demand that they reciprocate should we win and others lose. Quite a lot of ground has been gained in that direction; efforts have been made which make it possible to assume that the atmosphere of coexistence and the planned agreements will strengthen the future constitutional government politically and effectively. Effectively means that it can produce appropriate responses immediately after being installed, because time has run out, there are real pressing needs, unavoidable urgent needs. The future government will not have all the time in the world to start analyzing responses; it has to be installed with a program that will start to produce responses. This new position, which is different from all previous shifts, will enable us to move toward strengthening constitutional government. This alone can give the new effort to democratize the republic a feasibility which it previously did not have.

11915

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PERONIST NEED TO UPGRADE ITS EDUCATIONAL LEVEL NOTED

Buenos Aires A FONDO in Spanish May-June 83 pp 6-7

[Article: "The Internal Frontier"]

[Text] In selecting this title we are not referring to that internal geographical frontier which, as it does other Latin American countries, cuts Argentina in two between the capital and its provincial areas. We are referring to an internal political frontier which is perhaps even less possible to cross: the one separating Peronism from non-Peronism. We are certainly not going to engage in "anti-Peronism" again. If we bring up the problem, it is for the purpose of learning whether it can be surmounted. The frontier exists; we are not happy about it.

The bitter Alfonsin-Miguel debate made it evident. Some could view in the episode only the ploy and counterploy of political tactics, a few months before a general election. There was, unquestionably, some of that; but in the exchange of arguments the clash, and the incompatibility between two political concepts, between two scales of values, became evident. In this respect, Alfonsin represents the traditional adherence to political liberalism (not to economic liberalism, which is something else). To him, the system that we are going to create after the elections is based on the freedom and responsibility of each individual citizen; either as a member of a party or a trade union, or as a voter that citizen cannot be manipulated or abused in the name of any other principle. To Miguel, the system that we are going to create is the reflection of a mass majority, whose embodiment is the trade union leadership and Peronist verticalism, with its method of more or less mysterious or secret orders. In this instance, the citizen remains integrated, and incorporated (Alfonsin would consider him "lost") amid the victorious majority. Democracy is reflected through a kind of sense of what is popular; in the long run, the forms that it adopts would be secondary. From Alfonsin's standpoint, this greatly resembles fascism. From Miguel's standpoint, Alfonsin embodies a minority spirit.

If we discovered ourselves confronting two personal concepts, the debate would be of little significance. But everything prompts one to think that Alfonsin and Miguel represent two mentalities; we are prompted to say that there are two "political cultures" coexisting in the same social area of the Argentines. One item of statistical information dramatically reinforces this assumption. Several polls had indicated it, but a very recent one of "A and C" and the magazine SOMOS, of 13 May, shows a surprising parallelism between the level of education of those polled and their political preferences. The relationship is symmetrical: among

the upper strata (university and secondary schooling) the Radical Party wins by categorical numbers. Among the lower strata (elementary or no education) the Peronist party wins by even more categorical numbers. If we consider the fact that the distribution of preferences for Peronism or Radicalism is less marked (substantially) among the social and economic strata, one reaches the conclusion that, in our society, to anticipate a person's political position, his educational level is more telling than his income level. Once we accept this premise, it becomes self-evident that the gap between Peronism (which surpasses Radicalism on the lower educational levels by 64 to 6 percent) and Radicalism (which surpasses Peronism on the upper levels by 45 to 10 percent) is preeminently cultural.

What does this mean? Something dreadfully simple, which both reflect on opposing, or at least different scales of values. Hence, Miguel represents the elementary levels of Argentine education: His values (the weight carried by the majority, and the predominance of the emotional, mass authoritarian elements) are those of the less educated. Alfonsin's values (individual freedom, the rights of the minorities and pluralism) are typical of the secondary and university educational levels of the society. There are two more items of information: Among the university students, the Radicals received 51 percent, and the Peronists 4 percent. Isabel Peron, as a candidate, obtained a scale of affiliation which rose, based on points, from 0 percent on the university level to 50 percent on the level without any education.

What has been stated would have to be explored in two dimensions. First, explaining that these comments have no pejorative quality. Often, the least educated person is more of a man, wiser and with more common sense. How many times have we observed this? Second, warning that, until Argentina achieves an equitably secondary level of education (which is that of the developed countries), it will have to build its democracy on the basis of the deep cultural split which divides its two leading parties. Until that progress has been made, the Peronists will win: The figures of affiliation just published give 50 percent of those registered to the Justicialist Party, 25 percent to the Radical Party, 8 percent to the center and 6 percent to the left. But it is not important at this point to ask ourselves whether, with the hypothetical cultural improvement that we all desire, the Peronists would lose their votes; rather, we should ask something different: whether there would be a "different" Peronism opposing the Radical alternative. This is what is likely. There are, actually, two levels of political leadership in the Peronist movement: one corresponding to the "secondary" values of Alfonsin (Luder, Robledo, Matera and Triaca), which coincides with the Radical leaders on the style and the values of the constitutional republic that we want to found. Another (Miguel and Isabel, not necessarily harmonious in their internal relations) directly reflects the other Peronism, the visceral, primary, emotional one. The dilemma for Peronism (which will win in October unless it becomes divided, which is unlikely and also undesirable) is the following one: It will do so with "secondary" or "primary" leaders. Peron, who was "primary" in 1946 and 1955, became "secondary" in Madrid during 1973; it was on that basis that the dialog with Balbin was possible for him to establish. But, upon his death, the movement retrogressed to the primary level of Lopez Rega. From that time on, no dialog was possible. The reasonable plan for a potential Argentina would be that of a Peronism that would show in advance, in the republican moderation and spirit of its best leaders in the government, what it itself must be a few years from now, when it will have to keep pace with the desirable cultural improvement of its rank and file. The dangerous plan would be

a Peronism in the government which, representing the most elementary portion of its own values, would be experienced by the rest of the country (including the rest of the Peronist leaders) as a retrogression toward the period of "hemp sandals yes, books no." What we want is a Peronism that is moving upward, putting itself in a position to govern all Argentines; not a Peronism that, if there is a division into sectors in the direction of its own quantitative power, will dig on the Argentines' cultural frontier a Babel of values, a state of lack of communication which the Alfonsin-Miguel controversy has foreshadowed. If this were the case, the building of democracy would encounter formidable difficulties.

2909

CSO: 3348/456

BRIEFS

FONPLATA TO GRANT LOAN--Today, the Bolivian Government and the River Plate Development Fund (FONPLATA) will sign a \$1 million loan agreement. The funds will be used for the feasibility study and final design of the Padcaya-Bermejo highway in Tarija Department. The agreement will be signed by Finance Minister Flavio Machicado and a FONPLATA representative. [Text] [La Paz PRESENCIA in Spanish 27 May 83 p 1 PY]

COMIBOL PRODUCTION DECREASE--Finance Minister Flavio Machicado Saravia has reported that COMIBOL's [Mining Corporation of Bolivia] production was about 22 percent lower than the figure fixed for the first 4 months of 1983. [Excerpt] [La Paz PRESENCIA in Spanish 27 May 83 p 1 PY]

POPULATION FIGURES--According to estimates made by the National Statistics Institute, Bolivia's population will total approximately 6,082,000 at the end of the year. It is believed that 64 percent of Bolivia's population will be distributed among the departments of La Paz with 1,969,000 people; Santa Cruz with 977,000 people; and Cochabamba with 931,000 people. The institute also believes that 34 percent of Bolivia's total population will live in the departmental capitals at the end of the year. [La Paz PRESENCIA in Spanish 31 May 83 p 8 PY]

INTERNATIONAL RESERVES--Central Bank President Luis Vizcarra Cruz has stated that the bank's international reserves total \$115 million. [Excerpt] [La Paz EL DIARIO in Spanish 28 May 83 p 1 PY]

CSO: 3348/443

PLANALTO CONTROL OF DELEGATES IN SUCCESSION ISSUE VIEWED

Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 May 83 pp 5-6

[Article by Henrique Gonzaga Junior]

[Text] Brasilia--Planalto Palace currently controls most of the 964 delegates to the PDS [Social Democratic Party] convention next year which will nominate the party candidate for the presidential succession. In other words, barring unforeseen political developments, the next president of the republic will be the individual indicated by General Figueiredo.

This is the main conclusion of a study conducted by the FOLHA bureau in Brasilia, which securely identified over 90 percent of the PDS convention delegates who will determine the succession.

The survey was made possible by the PDS president's recent decision to set 19 June as the date for the regional conventions.

On that date the PDS regional conventions will simply ratify the slates of delegates to the national convention, which were already registered a month earlier; in other words, they have been known in each state since 19 May.

FOLHA was able to learn the composition of these slates from the PDS benches in the Chamber and Senate, albeit with some difficulty, although Deputy Joao Carlos de Carli (PDS-Pernambuco) assured that Deputy Paulo Maluf has had possession of them since the eve of that period, accompanied by a short dossier on each of the party delegates.

The PDS national convention will include the entire bench of federal deputies (235 members), the entire bench of senators (460) and twice this number of delegates (562), plus the National Directorate (121 members), for a total of 964 delegates.

Since the PDS is the majority party, 964 representatives of this party will choose the president who will govern 120 million Brazilians.

There is already an element of casuistry in sight; through an amendment to the draft bill in the final phase of passage in the National Congress, the government has legalized activities by political parties in the capital of the republic, fixing the number of delegates [from the Federal District] to party conventions at no less than 10. This means that, in addition to the 964 members of the PDS national convention, at least 10 other delegates named by the Federal District could participate in that exclusive college, increasing the government's control over the convention delegates.

A complete profile of the PDS delegates also indicates that Planalto Palace has sought to maintain this control, advising the governors to indicate trusted individuals, although this was not always possible.

In addition to Sao Paulo, where he is apparently the preferred candidate, former Governor Paulo Maluf has supporters in almost all the Brazilian states, but he holds a minority of delegates in the more important benches, such as those of Minas Gerais, Bahia, Maranhao, Rio Grande do Sul and Pernambuco. Many of the delegates in these states are related to each other: fathers and sons, uncles and nephews, husbands and wives, etc.

In these states are most of the candidates who are the "choice of the government," i.e., Aureliano Chaves, Antonio Carlos Magalhaes, Mario Andreazza and Marco Maciel. Of these, Interior Minister Andreazza, like Maluf, also has national prominence, and if he obtains the support of the others, he can be expected to win out over the former governor of Sao Paulo.

Outside these states, Maluf is preferred by the small benches, particularly those of Amazonia, Piaui, Paraiba, Mato Grosso and Mato Grosso do Sul. Ceara, which was his strongest trench in the northeast, is tending to go over to the other side.

With the exception of these states, the Federal Government has almost absolute control in the other states governed by PDS administrations and also has majority support in Rio de Janeiro, Minas Gerais, Parana and Espirito Santo, which practically determines that President Figueiredo's successor will be the candidate of his choice.

All that remains to complete the list of PDS convention delegates is the indication of 10 names by the PDS directorate in Brasilia (to be created), the official results from Sao Paulo, Espirito Santo and Goias, where there are competing slates, and, finally, the determination of the new membership of the PDS National Directorate.

The directorate is currently composed of 71 members, and will have 121 members in accordance with the new legislation. Come July, the party leadership will seek to retain most of the 71 current members and to fill the other 50 places with closely trusted individuals.

Given the slates of delegates already registered, the situation, state by state, is as follows:

Acre (18 votes)

Defeated in the elections, the Acre PDS remains divided, with notable influence exercised by Deputy Nosser de Almeida. Linked to former Governor Paulo Maluf and to the group backing Senator Jorge Kalume, the defeated candidate, who tends to go along with the choice of the Federal Government.

There are only 12 delegates, the "notables"-- former Minister Said Fahrat and former Governor Joaquim Falcao Macedo--and the bench of state deputies: Hermelindo Brasileiro, Romildo Magalhaes, Felix Bastene, Isnard Barbosa Leite, Maria das Victorias Figueiredo, Raulda Pereira, Cleber Campos, Luis Pereira, Narciso Mendes and Edgar Fausto.

The federal bench is composed of deputies Alaercio Dias, Amilcar de Queiroz, Nosser Almeida and Vildi Viana, and senators Jorge Kalume and Altevir Leal.

Amazonas (18 votes)

The Amazonas PDS representation is also divided and Maluf appears to have control of the situation, as the choice of the federal bench and hence the 12 state delegates, most of whom are deputies to the Assembly.

They are: Cleuter Mendonca, Valdir Barros, Atila Lins, Aristides Queiros, Homero de Miranda Leao, Socorro Dutra, Jamil Seffair, Eneas Goncalves, Humberto Michiles (son of Senator Eunice Michiles) and Jose Belo Ferreira, president of the assembly. Other delegates are defeated gubernatorial candidate Josue Claudio de Souza Filho, son of Deputy Josue de Sousa, a Maluf supporter, and alternate to Deputy Joel Ferreira, also Malufist, but who could be replaced because he is expected to be appointed in July as minister of the Court of Accounts of the Federal District.

The Amazonas federal bench includes deputies Jose Fernandes, Jose Lins de Albuquerque, Josue de Sousa and Vivaldo Frota, and senators Raimundo Parente and Eunice Michiles.

Alagoas (24 votes)

Governor Divaldo Suruagi frankly declares his loyalty to the Federal Government. He has almost total control of the bench and the delegates. He tends to favor candidates Mario Andreazza, Aureliano Chaves and Marco Maciel.

The delegates are: state deputies Roberto Torres, Miguel Palmeira, Benedito Lira, Jota Duarte, Neusvaldo Lima, and also Aloisio Nono, Manoel Gomes de Barros, Joao Jose Pereira de Lira, Carlos Lira Neto, Fernando Color de Melo, Joao Lucio, Jose Bandeira (mayor of Maceio), Jose Serpa Menezes (mayor of Delmiro Gouveia), Vice Governor Jose Tavares, Teobaldo Barbosa (president of the PDS) and Governor Divaldo Suruagi.

The federal bench is composed of federal deputies Alberico Cordeiro, Fernando Color, Geraldo Bulhoes, Jose Tomas Nono and Nelson Costa, and senators Guilherme Palmeira, Joao Lucio and Luis Cavalcanti.

Amapa (12 votes)

Only Deputy Antonio Pontes, a Maluf supporter, stood beside Governor Anibal Barcelos when the PDS local posts were being filled. The three other deputies disagreed because they had been excluded, but they finally managed to impose their choices.

Thus the Amapa delegation includes: Commander Anibal Barcelos, Maria Cerqueira Barcelos (the governor's wife), Antero Duarte Pires Lopes (the governor's secretary), prosecutor Edson Gomes Correa, Joao Evangelista Alves Pereira, Jonas Pinheiro Borges, Manoel Antonio Dias and Deputy Clark Platten.

The four federal deputies are Antonio Pontes, Clark Platten, Geovani Borges and Paulo Guerra.

Bahia (84 votes)

Although Governor Joao Durval promised to consult the members of his federal bench, the list of party delegates was drawn up by four hands: his own and those of former Governor Antonio Carlos Magalhaes. Three delegates were conceded to Senator Luis Viana and four to the group of Jutal Magalhaes.

The victorious candidate will presumably be the one indicated by Antonio Carlos Magalhaes--either himself or, more probably, Mario Andreazza.

The Bahian PDS delegates are as follows: Governor Joao Durval Carneiro; former Governor Antonio Carlos Magalhaes; Vice Governor Edvaldo Flores; Benito Gama, secretary of finance; Domingos Lavigne, secretary of sanitation; Alvaro Cunha, secretary of industry and commerce; Rafael Oliveira, secretary of labor; Fernando Cincura, secretary of agriculture; Nelson Barros, secretary of health; Edivaldo Boaventura, secretary of education; Paulo Souto, secretary of mines and energy; Waldeck Ornelas, secretary of planning; Antonio Biao Luna, secretary of security; Luis Jose de Oliveira, secretary of justice; Alberval Figueiredo, press secretary; Adolfo Viana de Castro, secretary of transportation; Luis Eduardo Magalhaes, president of the assembly; deputies Murilo Cavalcanti, Plinio Carneiro and Jairo Sento; former Deputy Luis Viana Neto, alternate senator; former Deputy Noide Cerqueira, alternate senator; former Deputy Manoel Passos, president of Ematerria; Antonio Menezes, former candidate for mayor of Itabuna; Manoel Castro, mayor of Salvador; Angelo Sa, businessman, former minister; Sergio Carneiro, the governor's son, president of Interurb; Juraci Brito Magalhaes, son of Senator Juta, Geraldo Mata Pires, president of Embasa; Cesar Mata Pires, son-in-law of the former governor; Paulo Mecia, son-in-law of the governor; Marcio Faria de Queiroz, official of the governor's office; Luis Fernandes Laranjaira, advisor to the president of the assembly; Luis Rogerio Cruz, assistant to the governor; Leonildo Fernandes, coordinator of Cerin; Dival Machado, president of the Municipal Chamber of Feira de Santana; Mario Nou, president of BANEZ [Bank of the State of Bahia]; Jorge Lins Freire, former secretary, president of Desenbanco; Antonio Imbassai, president of COELBA [Electric Power Company of Bahia]; Jose Gomes Santos Cruz, former enjoining judge, former secretary of justice; Luis Fernando Queiroz, former finance secretary; Jorge Novis, former secretary of health; Kleber Pacheco, attorney, former secretary of communication and education; Mauricio Stern, businessman; Jose Alfredo Campos Franca, counsel to the PDS; Jose Carlos Faco, former deputy, president of CASEB [Administrative Commission of the Educational System of Brasilia].

Deputies of the federal bench are Afrisio Vieira Lima, Angelo Magalhaes, Antonio Osorio, Djalma Bessa, Eraldo Tinoco, Etelvir Dantas, Felix Mendonca, Fernando Magalhaes, Franca Teixeira, Francisco Benjamin, Gorgonio Neto, Helio Correia, Horacio Matos, Jairo Azi, Joao Alves, Jose Lourenco, Jose Penedo, Jutai Junior, Leuer Lomanto, Manoel Novaes, Nei Ferreira, Prisco Viana, Romulo Galvao, Rui Bacelar and Wilson Falcao. The senators are Jutai Magalhaes, Lomanto Junior and Luis Viana.

Ceara (60 votes)

Considered a stronghold already captured by former Governor Maluf of Sao Paulo, the state of Ceara could hold a surprise, especially because of the growing closeness between former Governor Virgilio Tavora and Minister Leitao de Abreu, chief of the civilian household. As the state government is divided into three

areas of influence, shared by Virgilio, Minister Cesar Cals (a Figueiredo supporter) and Vice Governor Adaauto Bezerra, the delegates and the bench itself reflect this situation.

Delegates of the "Virgilio" group are: Moacir Bezerra, Ubirita, Ednaldo Bessa, Murilo Aguiar, Manoel Castro, Nicia Marcilio, Ednilton Soares, Francisco Danilo Marinho Cordeiro, Jose Valfrido, Francisco Figueiredo, Fernanco Mota, Jose Dias de Macedo, Antonio dos Santos, Aquiles Peres Mota, Antonio Camara, Marconi Alencar, Antonio Jaco, Pedro Filimeno, Douvina Castro and Governor Gonzaga Mota.

The "Cesar Cals" group delegates are Cesar Cals de Oliveira Filho, Cesar Cals Neto, Claudino Sales, Artur Silva Filho, Ernesto Gurgel Valente, Francisco Couto Alvares and Armando Aguiar.

With Bezerra are Jose Mario Barbosa, Francisco Teofilo Girao, Diogenes Nogueira, Domingos Fontes, Raimundo Mourao, Alfredo Machado, Etevaldo Nogueira Lima, Temistocles de Castro e Silva, Eliseu Batista Rolim, Adaauto Bezerra, Ari Ribeiro Teixeira, Francisco Fortaleza and Jose Facundo Filho.

The state's federal bench is as follows: deputies Aecio de Borba, Carlos Virgilio, Claudio Filomeno, Evandro Aires de Moura, Flavio Marcilio, Furtado Leite, Gomes da Silva, Haroldo Sanford, Leorne Belem, Lucio Alcantara, Manoel Goncalves, Marcelo Linhares, Mauro Sampiao, Orlando Bezerra, Ossia Araripe, Paulo Lustosa and Sergio Filomeno; the senators are Virgilio Tavora, Almir Pinto and Jose Lins.

Espirito Santo (18 votes)

The Espirito Santo PDS is divided. There is a slate called "official," a majority slate, and another formed by former Deputy Valter de Pra, a Maluf supporter, and former Governor Cristiano Dias Lopes, known as "Abertura." When the second slate was presented, it was stressed that the dissidence had nothing to do with the succession process, though this is inevitable.

The "official" slate of delegates includes Pedro Leal, Alcino Santos, Heraldo Musso, Camilo Cola, Luicio Merton, Jorge Devens, Jorge Daher, Emir de Macedo Gomes, Luis Gonzaga Borges, Alcio Franco and Antonio Moreira.

The "Abertura" slate is as follows: Cristiano Dias Lopes, Valter de Pra, Paulo Stefanoni, Vicente Silveira, Dercilio Gomes Albuquerque, Marco Antonio Ferreira Sobreira, Tuffi Nader, Sebastiao Gualtemar Soares, Jose Parente Frota, Jadir Primo, Carlos Magno Pimentel and Valdir Loureiro de Almeida.

The Espirito Santo federal bench includes deputies Jose Carlos Fonseca, Pedro Ceolim, Stelio Dias and Teodorico Ferraco, and senators Joao Calmon and Moacir Dalla.

Goiás (18 votes)

Goiás is the state with the greatest division within the PDS. Three slates are competing for convention seats: one of former Governor Ari Valadao, which includes former Minister Golberi do Couto e Silva; a majority slate, led by former Governor Otavio Lage, who is loyal to Gen Otavio Medeiros, minister-chief of the SNI [National Intelligence Service]; and a third slate, with little chance, formed by Maluf supporter Deputy Siqueira Campos.

The delegates indicated on the three slates are as follows: for the "Renewal" slate, Otavio Lage, Volnei Siqueira, Jaime Camara, Adjair Lima, Rene Pompeu de Pina, Silvio Pascoal, Othon Nascimento Junior, Humberto Xavier, Joaquim Quinta, Libanio Araujo, Alziro Gomes and Antonio Paniago.

For the "Valorization" slate: Benedito Ferreira, Siqueira Campos, Heli Dourado, Jose Caixeta, Mario Cavalcante, Jose Denilson, Pedro Canedo, Carlos Pacini Aires, Antonio Martins de Godol, Manoel Ozehas Ferreira, Israel Siqueira de Abreu and Antonio Ranulfo de Oliveira.

For the "Participation/Reform" slate: Golberi do Couto e Silva, Ari Valadao, Vilmar Rocha, Turmim Azevedo, Sergio Caiado, Clarismar Fernandes, Lauro Martins, Joao Abrahao Sobrinho, Eladio Carneiro, Jair Ferreira da Cunha, Jose Inacio de Figueiredo and Antonio Resende Monteiro.

As a result of such internal division, the Goias PDS bench is currently smaller; it includes deputies Brasilio Caiado, Ibsene Castro, Jaime Camara, Siqueira Campos and Volnei Siqueira and Senator Benedito Ferreira.

Maranhao (51 votes)

Despite the Malufist dissidents who unsuccessfully contested the leadership of Senator Jose Sarnei during the last elections, in Maranhao, the predominance of the PDS president is overwhelming. He controls 90 percent of the 34 state delegates and the 17-member federal bench. Sarnei has the right to three votes: as president of the party, as a delegate and as a congressman. On the federal bench, the most prominent Maluf supporters are bionic Senator Alexandre Costa and deputies Edison Lobao and Jose Ribamar Machado.

The list of delegates is as follows: Governor Luis Rocha, Vice Governor Joao Rodolfo Ribeiro, senators Jose Sarnei, Joao Castelo and Alexandre Costa, Fernando Macieira Sarnei, Roberto Macieira, Raimundo Castelo Cordeiro, Washington Viegas, Luis Carlos Belo Parga, Jose Reinaldo Tavares, Lais de Abreu Carvalho, Maria Gardenia Ribeiro, Mauro Fecuri, Alexandre Alves Costa Junior (son of Senator Alexandre Costa), Carlos Gomes de Amorim, Orleans Mendes Soares, Marcelo Tadeu de Assuncao, Numa Bayma Pereira, Joselio Carvalho Branco, Arcelino de Franca Ferreira, Francisco Herenio Alvares Pereira, Manoel Maria Soares Paiva, Jurandir da Costa Leite, Mario Alves de Carvalho, Joao Antonio de Barros Neto and Luis Rocha Filho (the governor's son).

The federal bench is composed of deputies Baima Junior, Edison Lobao, Enoc Vieira, Eurico Ribeiro, Jaime Santana, Joao Alberto de Sousa, Joao Rebelo, Jose Burnett, Jose Ribamar Machado, Magno Baceler, Nagib Haickel, Sarnei Filho (son of Senator Sarnei), Vieira da Silva, Vitor Trovao; and senators Jose Sarnei, Alexandre Costa and Joao Castelo.

Mato Grosso (18 votes)

Governor Julio Campos has already listed his choices in order of preference: first, President Figueiredo, whom he would like to remain in office; followed by Maluf, Andreazza and Aureliano.

Since General Figueiredo has already said that he does not wish to continue, it is presumed that the votes of most of the PDS delegates, named by the governor, will go to the former governor of Sao Paulo.

The delegates are as follows: Governor Julio Campos, Vice Governor Vilmar Peres de Farias, former Governor Frederico Campos, mayor of Cuiaba, Anildo Lima Barros, Jaime Campos, Jose Montiero de Figueiredo, and state deputies Ubirata Spinelli, Pedro Rodrigues Lima, Djalma Rocha, Benedito Alves Ferraz, Benedito Santiago and Zanete Cardinal.

The federal bench is composed of deputies Bento Porto, Cristino Cortes, Jonas Pinheiro and Macao Tadano, and senators Roberto Campos and Benedito Canelas.

Mato Grosso do Sul (8 votes)

Defeated by the PMDB [Brazilian Democratic Movement Party] candidate, former Governor Pedro Pedrossian still controls the local PDS, always with the support of Heitor de Aquino, private secretary of the president of the republic. The vote of the Mato Grosso do Sul delegation is tending toward Maluf.

Delegates are: Pedro Pedrossian, federal deputies Albino Coimbra Filho, Ubaldo Barem and Saulo Queiros, and state deputies Ari Rigo, Valter Benedito, Londres Machado and Zenobio dos Santos.

The federal bench includes deputies Albino Coimbra, Levi Dias, Saulo Queiros and Ubaldo Barem. There is no PDS senator from Mato Grosso do Sul.

Minas Gerais (81 votes)

Evidently Aurelino Chaves is gaining prominence and, according to the members of the bench, has managed to firm the consensus regarding his name as the premise for his candidacy. Deputy Raul Bernardo represents the Maluf opposition, practically by himself.

All of the 31 PDS state deputies are members of the body of delegates. The delegation to the national convention is as follows: Antonio Aureliano Chaves, Ibraim Abi Ackel, Francelino Pereira, Eliseu Resende, Crispim Dias Fortes, Pio Canedo, Joao Marques, Fagundes Neto, Jose Laviola, Jose Santana, Joao Pedro Gustin, Gil Cesar, Raimundo Albergaria, Cleuber Brandao, Antonio Sales, Euclides Cintra, Domingos Savio, Juarez Quintao, Soares de Melo, Camilo Miranda, Joao Ferraz, Marcus Peixoto, Ribeiro Navarro, Fernando Reis de Andrade, Jose Bonifacio Tamm de Andrada, Jose Geraldo de Oliveira, Silo Costa, Paulo Araujo, Fagundes de Oliveira, Samir Tanus, Alcir Nascimento, Delfim Ribeiro, Roberto Junqueira, Denio Carvalho, Fernando Tomas Ribeiro, Luis Calichio, Agostinho Patrus, Jaime de Espirito Santo, Mario Pacheco, Narcelio Ferreira, Ciro Maciel, Otacilio Miranda, Jesus Barreto, Batista Rosa, Hugo Campos, Delson Scarano, Luis Salmam, Emilio Haddad Filho, Jose Hororio, Telemaco Pompei, Edilson Mendes, Hidelbrando Canabrava, Fulvio Fontoura, Vilaca Mendes and Milton Sales.

The Minas Gerais federal bench is as follows: deputies Aecio Cunha, Antonio Dias, Bonifacio de Andrada, Carlos Eloi, Castejon Branco, Cristovam Charadia, Emilio Galo, Gerardo Renault, Homero Santos, Humberto Souto, Israel Pinheiro, Jairo Magalhaes, Jose Carlos Fagundes, Jose Machado, Magalhaes Pinto, Mario Assad, Mauricio Campos, Navarro Vieira Filho, Nilton Veloso, Oscar Correa, Ozanan Coelho, Paulino Cicero, Raul Bernardo, Ronaldo Canedo, Rondon Pacheco and Vicente Guabiroba; Murilo Badaro is the only senator from Minas Gerais.

Para (27 votes)

In Para, the federal bench and the delegates tend to split their vote between Maluf and Andreazza. Former Senator Jarbas Passarinho controls at least two-thirds of the delegation, and during the campaign he fired some barbs at former Governor Paulo Maluf, accusing him of indirectly financing the campaign of the PMDB candidate. He later backed off. He could go along with the government, but his opponents comment that, after his defeat, he might feel he could gain more prestige by supporting Maluf. Or he might back Mario Andreazza. [Sebastiao] Curio

represents at least two votes for Otavio Medeiros, or the SNI chief's candidate, one vote as a congressman and the other as a delegate.

The Para delegation is as follows: federal deputies Antonio Amaral, Gerson Peres (former vice governor), Lucia Viveiroa, Manoel Ribeiro, Osvaldo Melo and Sebastiao Curio; Senator Gabriel Hermes, former Senator Jarbas Passarinho, Oziel Carneiro (defeated gubernatorial candidate), Zeno Veloso (defeated candidate for vice governor), Aloisio Augusto Chaves (son of the senator of the same name, who ceded the place to him), state deputies Herberto Matos Verissimo (in the vacancy ceded by Federal Deputy Jorge Arbage, a Maluf supporter), Ronaldo Passarinho (nephew of the senator), Paulo Lisboa, Antonio Pereira and Eloi Santos, and Claudio Furman, mayor of Tucurui, and Joao Alves da Mata, mayor of Braganca.

All the deputies and senators of the Para PDS bench are delegates, with the exception of Aloisio Chaves, who named his son, and Federal Deputy Jorge Arbage, who named a state deputy. Even so, Aloisio Chaves will have three votes: one as a congressman, one as a member of the National Directorate and a third as a leader of the government. Arbage will have only one. Senator Passarinho will also have two votes: one as a delegate, and the other as a member of the National Directorate.

Paraiba (24 votes)

Maluf's candidacy is very strong in Paraiba, and Governor Wilson Braga, who formerly backed him, is now declaring his support for the candidate backed by President Figueiredo. Even so, he put together a slate of delegates with a large number of Maluf supporters whom he will not be able to control.

The delegates are: Aercio Pereira de Lima (Maluf supporter), Antonio Bezerra Cabral Sobrinho (brother of Malufist Senator Milton Cabral), Antonio Diniz (vote for Aureliano), Aloisio Pereira Lima (will vote with the governor), Clovis Bezerra Cavalcanti, Efraim Araujo Moraes (will vote with Deputy Edme Tavares, who is said to be anti-Maluf), Evaldo Nogueira Matos (secretary of agriculture), Francisco de Assis Camelo (pro-Maluf), Vice Governor Jose Carlos da Silva Jr, former governor Ivan Bichara, pro-Maluf Jose Lacerda Neto, Malufist Juraci Balhano Friere, Manoel Gaudencio (pro-Maluf), Lucio Wanderlei Satiro (nephew of Deputy Ernane Satiro, pro-Maluf), Osvaldo Trigueiro do Vale (mayor of Joao Pessoa, will vote with the governor), Paulo Gadelha (brother of Senator Marcondes Gadelha) and Governor Wilson Braga.

The federal bench includes deputies Aduato Pereira, Alvaro Gaudencio, Antonio Gomes, Edme Tavares, Ernane Satiro, Joacil Pereira and Tarcisio Buriti, and senators Marcondes Gadelha and Milton Cabral.

Parana (42 votes)

With the defeat of Saul Raiz, Ney Braga's candidate for governor of the state, former Governor Paulo Pimentel practically assumed control of the party in Parana, after a vacillating experience with the PTB [Brazilian Labor Party]. Disunited, the bench wavers between the courting of Maluf and Andreazza. The state deputies constitute most of the representatives to the PDS national convention.

The delegates are as follows: former governors Nei Braga and Paulo Pimentel, Saul Raiz, Jose de Oliveira Castilho, Assis Gurgacz and Jucundino Furtado

(former president of BANESEADO [State Bank of Parana]), and state deputies Luis Alberto, Ailton Cordeiro, Erondi Silverio, Luis Gabriel, Donato Gulin, Werner Wanderer, Ezequias Losso, Tercio Albuquerque, Tuguo Setugute, Ivan Gxubert, Augusto Carneiro, Wilson Fortes, Jorge Maia, Leonidas Chaves, Gilberto Carvalho, Nelson Bufara, Odeni Mongruel, Quielse Crisostomo, Pericles Pacheco, Fuad Nacle and Gabriel Manoel.

Parana's federal deputies are Alcenio Guerra, Antonio Mazurek, Antonio Ueno, Ari Kffuri, Fabiano Braga Cortes, Italo Conti, Jose Carlos Martinez, Luis Antonio Fayet, Norton Macedo, Oscar Alves, Reinhold Stephanes, Renato Johnson and Santos Filho.

Parana has no PDS senator.

Pernambuco (51 votes)

With the exception of pro-Maluf Deputy Joao Carlos de Cali and Deputy Tales Ramalho, who is campaigning for Costa Cavalcanti, almost the entire federal bench supports the candidacy of former Governor Marco Maciel.

The delegates are under the absolute control of Governor Roberto Magalhaes, who heads the list. In addition to the governor, the delegates are Vice Governor Gustafo Krause, former governors Nilo Coelho, Jose de Moura Cavalcanti, Marco Maciel and Jose Muniz Ramos, former Minister Costa Cavalcanti, state deputies Felipe Coelho, Jose Tinoco Machado, Pedro Correa, Severino Cavalcanti, Severino Monteiro, Vital Cavalcanti, Mavial Francisco and Luis Heraclito, Recife Mayor Joaquim Cavalcanti, government secretaries Sileno Ribeiro, Luis Otavio Cavalcanti, Horacio Falcao and Sergio Higino dos Santos. Also Augusto Carneiro, Nivaldo Rodrigues, Senator Aderbal Jurema, Jose Antonio Barreto Guimaraes, Marcos Vinicios Vilaca, Gildarte Giambastiani, Augusto da Silva Lucena, Jorge Antonio Cavalcanti da Silva, Antonio Arruda de Farias, Rui de Barros Correa, Rivaldo Teixeira, Joao Bernardino dos Santos, Paes Mendonca and Deputy Luis Gonzaga Vasconcelos.

The federal bench is composed of Deputies Airon Rios, Antonio Farias, Geraldo Melo, Gonzaga Vasconcelos, Inocencio Oliveira, Joao Carlos de Carli, Jose Jorge, Jose Mendonca Bezerra, Jose Moura, Nilson Gibson, Osvaldo Coelho, Pedro Correa, Ricardo Fiuza and Tales Ramalho. The senators are Marco Maciel, Nilo Coelho and Aderbal Jurema.

Marco and Nilo will be entitled to three votes apiece, as congressmen, delegates and members of the National Directorate.

Piaui (24 votes)

In Piaui, Governor Hugo Napoleao has some sympathy for Paulo Maluf, cultivated since he was a deputy. He has now declared himself as pro-Andreazza, which is explained to some extent by his state's complete dependency of the resources of the Ministry of the Interior. Chosen as delegates were members of the Legislative Assembly, who, if they reflect the thinking of the Piaui federal bench, will vote for Maluf in the main.

The delegates are as follows: Governor Hugo Napoleao, Vice Governor Bona Medeiros, Freitas Neto, mayor of TeeTerezina, former Governor Lucidio Portela, Secretary of State Djalma Veloso, and the state deputies who won the most votes: Valdemar Macedo, Sebastiao Leal, Humberto Reis, Xavier Neto, Jose Lobao, Wilson Brandao, Marcelo Coelho, Juraci, Mauricio Melo, Barros Araujo and Moraes Sousa.

The federal bench includes deputies Celso Barros, Jonatas Nunes, Jose Luis Raia, Ludgero Raulino, Milton Brandao and Tapeti Junior, and senators Helvidio Nunes and Joao Lobo.

Rio de Janeiro (45 votes)

If the influence of the federal bench prevails, Mario Andreazza will be the victor, although some votes will be carried by Malufists (deputies Eduardo Galil and Vilmar Palis) and others favor Helio Beltrao. Heitor Aquino, private secretary of the president of the republic, is included among the delegates; he is pro-Maluf.

The delegates are Amaral Peixoto, Moreira Franco, Aecio Nanci, Aloisio de Castro, Ampliato Cabral, Astor Melo, Daise Lucidi, Flavio Palmier, Francisco Lomelino, Heitor Furtado, Herculanio Carneiro, Italo Bruno, Jose Augusto Guimaraes, Jose Abrahao Hadad, Jose Nader, Jorge David, Josias Avila, Luis Antonio, Ludwig Amon, Messias Soares, Nelson Sabra, Victorino James, Zeir Porto, Herodoto Bento de Melo, Miguel Abrahao, Vilmar Palis, Heitor Ferreira, Rubem Medina, Osmar Leitao and Luis Araujo Bras.

The Rio state bench includes Aires, Eduardo Galil, Figueiredo Filho, Hamilton Xavier, Lazaro Carvalho, Leo Simoes, Osmar Leitao, Rubem Medina, Simao Sessim and Vilmar Palis, in addition to Senator Amaral Peixoto.

Rio Grande do Norte (27 votes)

Governor Jose Agripino Maia has absolute control of the delegates. He named almost the entire secretariat, without consulting the PDS bench, and hence irritated the state deputies, which almost led to the formation of a dissident slate, promoted (unsuccessfully) by Senator Carlos Alberto. The trend is to go along with the government candidate.

The delegates are Governor Jose Agripino Maia, Vice Governor Radir Pereira de Araujo, government secretaries Laercio Segundo de Oliveira, Paulo Tarcisio Cavalcanti, Evilasio Leao de Moura (husband of the governor's private secretary), Efrem Lima Filho, Geraldo Gomes de Oliveira, Genivan Josue Batista, Carlos Jussier, Manoel de Medeiros Brito, Leonidas Ferreira, Vilma Maria de Faria Maia, Alvaro Coutinho da Mota, Ulisses Potiguar, Lavoisier Maia Sobrinho (former governor) and businessman Reginaldo Teofilo da Silva.

The federal bench includes deputies Antonio Florencio, Jesse Freire, Joao Faustino, Vingt Rosado, Vanderlei Mariz, and senators Carlos Alberto, Dinarte Mariz and Martins Filho (pro-Maluf).

Rio Grande do Sul (35 votes)

Governor Jair Soares also would like the convention delegates to vote as a bloc. The preference is manifestly divided between Minister Mario Andreazza and Rubem Ludwig, chief of the military office. Maluf has no chance in Rio Grande do Sul.

The delegates are Jair Soares, Nelson Marchezan, Otavio Germano, Amaral de Sousa, Euclides Triches, Daniel Krieger, Claudio Strassburger, Edmar Fetter, Leitao de Abreu, Cloraldino Severo, Victor Faccione, Carlos Chiarelli, Otavio Cardoso, Arnaldo Prieto, Telmo Krist, Darci Pozza, Emidio Perandi, Oli Fachin, Augusto Trein, Airtton Vargas, Derci Furtado, Marino Andrade, Romeu Martinelli, Horst Volk, Geraldo Germano, Sergio Ilha Moreira, Roberto Cardona, Nestor Fips Schneider, Alecrides Santana and Narlos Sa Azambuja.

The federal bench includes deputies Augusto Trein, Baltazar de Bem e Canto, Darci Pozza, Emidio Perondi, Guido Moesch, Hugo Mardini, Ireneu Colato, Nelson Marchezan (four votes), Oli Fachin, Pedro Germano, Pratini de Moraes, Rubens Ardenghi and Victor Faccione, and senators Carlos Chiarelli and Otavio Cardoso (filling out the term of Tarso Dutra, who died recently).

Rondonia (24 votes)

Rondonia can be considered the most reliable state to support the government's choice, although Governor Jorge Teixeira's preference is for Minister Mario Andreazza, toward whom Senator Odacir Soares is also leaning after a period of approaching and then shying away from Paulo Maluf.

The delegates are as follows: Governor Jorge Teixeira, federal deputies Leonidas Rachid, Francisco Erse, Francisco Sales, Assis Canuto and Rita Furtado, and senators Claudionor Roriz, Odacir Soares and Galvao Modesto. Other delegates are Demetrio Bida, Marise Magalhaes da Costa Castiel, Joao Wilson de Almeida Condim, Jose Abreu Bianco, Jacob de Freitas Atala, Carlos Alberto Fernandes dos Santos and Antonio Luis Macedo Filho.

The entire federal bench (five deputies and three senators) was named to the PDS delegation to the National Convention, which will entitle each congressman from Rondonia to two votes.

Roraima (12 votes)

Deputy Julio Martins is Maluf's principal campaign chief in the territory, but the others do not go along with him. The governor, recently inaugurated, did not take part in the formation of the Regional Directorate or in the slate of delegates, which is as follows: federal deputies Julio Martins, Mozarildo Cavalcanti and Alcides Lima, Getulio Alberto Souza Cruz, president of the Bank of Roraima, Ubirajara Rodrigues, Jose Evandro Moreira, Francisco das Chagas Duarte and Newton Tavares.

The federal bench includes deputies Julio Martins, Mozarildo Cavalcanti, Alcides Lima and Joao Batista Fagundes.

Santa Catarina (30 votes)

On taking office, Governor Espiridiao Amin declared that Santa Catarina's vote, although sincere, would go to a single candidate. Since then, however, discontentment has been growing within the PDS to the extent that it will be difficult to hold to that proposition. Most of the votes are in the direction of Mario Andreazza, but Maluf has a reasonable number of votes from the bench and the delegates.

The delegates are Governor Espiridiao Amin, Vice Governor Vitor Fontana, senator Lenoir Varjas, former governors Henrique Cardoso and Antonio Konder Reis, government secretaries Artenir Werner and Wilson Kleinunhing, Heitor Luis Sche, state deputies Ivan Ranzollin, Julio Cesar and Moacir Bertulli, and Francisco de Assis Filho, chief of the civilian household. Others are federal deputies Ademar Ghisi, Epitacio Bitencourt, Evaldo Amaral, Fernando Bastos, Joao Paganella, Nelson Morro, Paulo Melro and Pedro Clin.

The entire federal bench (eight deputies and two senators) will have two votes at the convention because they were named as delegates. The only one who is not a delegate is Senator Jorge Bornhausen, but he still has the right to two votes, one as a congressman and one as a member of the National Directorate.

Sergipe (26 votes)

Sergipe's slate of delegates has the largest proportion of "notables." In this small slate where the PDS is traditionally strong, the outstanding presidential candidates are Vice President Aureliano Chaves, Mario Andreazza and Deputy Paulo Maluf, in that order.

The delegates to the convention are: Governor Joao Alves; former governors Djenal Tavares de Queiroz, Arnaldo Rolemberg Garcez and Jose Rolemberg Leita; Valter Cardoso Costa; Vice Governor Antonio Carlos Valadares; Manoel Conde Sobral (president of the assembly); Djalmas Teixeira Lobo; State Deputy Reinaldo Moura Ferreira; federal deputies Augusto Franco, Gilton Garcia, Helio Dantas, Celso de Carvalho, Adroaldo Campos Filho and Fransisco Rolemberg; and senators Lourival Batista, Passos Porto and Albano Franco.

The entire federal bench, with nine members, will vote twice because all of them are named as delegates.

Pro-Maluf Majority Predicted in Sao Paulo Delegation

Whatever the outcome of the regional convention on 19 June, to which two slates will be presented, the Sao Paulo PDS will have a delegation supporting former Governor Paulo Maluf in his campaign to succeed President Figueiredo. The size of Maluf's support, however, will depend on the success of the "municipalist" slate at that convention or the terms of a possible agreement between the two factions (the "municipalists" and the party leadership) to form a single slate.

The leadership slate, known as the "official" slate, was patiently arranged by four hands: those of Maluf himself and the PDS leader in the state. On that slate, the representation of individuals loyal to the former governor is massive and would give at least two-thirds of the vote to Maluf, while the remaining third might or might not vote for him, depending much more on the direction which president Figueiredo takes. The former governor already has the advantage of the support of 14 of the 16 federal deputies who form the PDS bench in the Chamber. They have all been included as delegates, which means that they would have two votes (as deputies and as delegates). "Bionic" Senator Amaral Furian would also have two votes.

Among the delegates who are not deputies, the Maluf supporters are also in the majority. They include some "notables" and individuals in Maluf's close confidence: Marin, Jose Papa Jr, Antonio Salim Curiati and Calim Eid, among others. Anticipating a dispute--which materialised with the presentation of a second, "municipalist," slate--the drafters of the "official" slate left some federal deputies at the end of the list who are not Maluf supporters and have the close confidence of President Figueiredo: Renato Cordeiro, Jose Camargo and Alcides Franciscato. In the event of an accord or at least a reasonable vote for the "municipalist" slate at the regional convention in June, these names would be sacrificed and replaced with some "municipalist" names. This possibility makes compromise difficult, leading to the view that the "official" slate is intended to crush the "municipalists" and will not even give them the 20 percent of the votes that would guarantee proportional representation in the composition of the delegation.

The "municipalists," encouraged by the entrance of Paulo Egidio on the scene and by the announcements that President Figueiredo wishes to avoid having total control in the hands of Maluf, could surprise the convention, and if they win

more than 30 percent of the votes in June, they will displace a major contingent of the former governor's coreligionists from the delegation.

In addition to the former governor himself, the pro-Maluf delegation includes federal deputies Armando Pinheiro, Cunha Bueno, Luis Ferreira Martins, Diogo Nomura, Adail Vetorazzo, Estevam Galvao de Oliveira, Gioia Jr, Natal Gale, Salvador Julianelli, Renato Cordeiro, Jose Camargo, Alcides Franciscato and Jorge Maluli Neto; Senator Amaral Furlan; state deputies Alvaro Fraga, Marcelino Romano, Valter Auada, Mantelli Neto, Mauricio Najjar, Silvio Martini, Valter Lemes Soares, Geraldo Meneses, Fauze Carlos, Ademar de Barros and Artur Alves Pinto. Completing the list of 34 delegates are Jose Maria Marin, Delfim Neto, Maria Luis Figueiredo da Silva (sister of President Figueiredo), Calim Eid, Jose Papa Jr, Antonio Salim Curiati, Mituo Miname and Enea Caldato Rafaeli.

The two federal deputies who are not on the slate, but are automatically delegates to the national convention, are Herbert Levy and Sales Leite.

The 34 delegates presented by the "municipalist" slate are as follows: Manoel Mendes Paquito, Deputy Nabi Abi Chedid, Jose Campelo Nogueira (assistant to Minister Murilo Macedo), Edmon Alexandre Salomao, Jorge Abdo Sader, Fernando Vendramini, Jose Antonio Barros Munhos, Carlos de Arruda Garms, Alceu Simplicio da Silva, Francisco Rossi, Odeir Ramos, Teobaldo Lirio, Jose Pereira de Azevedo, Silvio Martelo, Arnaldo Bussacos, Takao Ono, Dermeval Nevoeiro Jr, Juraci Soares, Antonio Claret Dal Picolo, Aguinaldo Pavarini, Benedito Santana, Ernesto Trentin, Eugenio Rocha Mendes de Oliveira, Geraldo Viana, Ermis Mazaia, Luis Celso Giritto, Joao Lucheti, Gilberto Pascon, Francisco Lise Filho, Devaner Masi, Angelo Berchieri, Newton Guimaraes, Helio Resende Assuncao and Alcides Cabrera Gomes.

Presidential Candidates, Their Achievements and Backgrounds

Jose Costa Cavalcanti, Ceara, aged 65. Jose Costa Cavalcanti is an "amphibian" like Andreazza (he has long been a reserve officer) who was always able to get along with Castelo Branco and Medici currents. He was minister of mines and energy in the Costa e Silva administration and interior minister in the Medici government. After 1976 he preferred to serve as president of Itaipu Binacional, a post which he has held along with that of president of ELETROBRAS [Brazilian Electric Power Companies, Inc] since 1980.

When you consider that \$14 billion has been spent on Itaipu to date, it is clear why many people call him the "czar" of the state companies.

Mario Davi Andreazza, Rio Grande do Sul, aged 64. Launched on his political career by Costa e Silva in 1967, Andreazza was seen--before AI-5 [Institutional Act No 5]--as his possible successor. In the Medici government, as minister of transportation, his name was linked to the construction of the Rio-Niteroi bridge and the Trans-Amazon highway. Minister of the interior since 1978, he has the second largest budget in the Federal Union and he has used the influence of his ministry as his trump card throughout the country, where he has served as the voice of the PDS. The housing policy is his Achilles heel.

Danilo Venturini, Espirito Santo, aged 60. Friend and advisor to President Figueiredo, with whom he served as chief-of-office in the SNI (1974), General Venturini was, until 1982, chief of the Military Household of the Presidency and secretary general of the National Security Council. At that time he was



Costa Cavalcânti

Cearnense, 65 anos



Andrezza

Gaúcho, 64 anos



Venturini

Capixaba, 60 anos



Antônio Carlos

Baiano, 56 anos

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) garantia
uf delas já
a daquele



Maluf

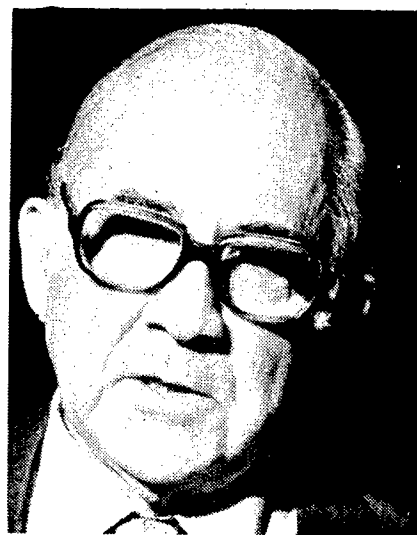
Paulista, 52 anos

PAULO SALIM MARIANO



Válder Pires

Paranaense, 67 anos



Beltrão

Carioca, 67 anos



Ludwig

Gaúcho, 57 anos



Aureliano
Mineiro, 54 anos



Magalhães Pinto
Mineiro, 73 anos



Maciel
Pernambucano, 42 anos

named minister extraordinary for land matters, with the specific mission of solving the numerous conflicts over land, which were troubling the country, particularly in the Amazon region. In April 1983, Figueiredo sent him as a special member of a diplomatic mission to the Government of Surinam.

Antonio Carlos Peixoto de Magalhaes, Bahia, aged 56. Magalhaes became better known nationally after 1967, when he was appointed by Luis Viana Filho as mayor of Salvador. He governed Bahia from 1971 to 1975 and from 1978 to 1983. Although he managed to have his successor (Joao Durval Carneiro) elected and was one of the first, along with Maluf, to declare his candidacy, he sees his chances limited by the fact that he does not currently hold a parliamentary or executive post. He intends to represent the northeast, but he has strong competition in the region from Marco Maciel.

Paulo Salim Maluf, Sao Paulo, aged 52. Maluf's political career began in 1967, when he became president of the Federal Savings Bank in Sao Paulo. He has been mayor of Sao Paulo and secretary of transportation for the state (1978-1982). He has made no secret of his intention to arrive at Planalto Palace. Now he is seeking to repeat, at the federal level, the 1978 strategy when he defeated Laudo Natel in the ARENA [National Renewal Alliance] convention in Sao Paulo.

Valter Pires de Carvalho e Albuquerque, Parana, aged 67. The current minister of the army is a typical career officer, with a strong sense of professionalism and defense of the hierarchy. This did not prevent him from joining the PDS in February 1980, in a gesture of support to President Figueiredo. He has been director general of the Federal Police (1969) and commander of the Vila Militar of Rio de Janeiro (1975). In an address delivered on Christmas, 1982, he said he considered that the era of military participation in politics, initiated in 1964, had come to an end, which does not prevent him from being a strong presidential possibility in any emergency.

Helio Beltrao, Rio de Janeiro, aged 67. Beltrao is considered a liberal and has broad administrative experience, both in public administration and in private enterprise.

He was minister of planning in the Costa e Silva government (1967-1969) and was asked for his resignation by the Medici government. He only returned to the cabinet in 1979, when President Figueiredo named him as minister extraordinary for debureaucratization. In May 1982, he succeeded Jair Soares as minister of social security, which was in a serious crisis. In a FOLHA survey, he was the PDS name with the most popular support for a direct election.

Rubem Carlos Ludwig, Rio Grande do Sul, aged 57. Ludwig's rise began in the Geisel government, when he was named as press advisor. On 27 November 1980, when he was chief of office of the Secretariat of the National Security Council, President Figueiredo called on him to replace Eduardo Portelo in the Ministry of Education, where he remained for 21 months and was considered an effective minister. In August 1982 he became chief of the military household, replacing General Venturini.

He is very familiar with Planalto Palace and a skillful speaker; he is the author of a report which should set the tone for the final period of this administration.

Antonio Aureliano Chaves de Mendonca, Minas Gerais, aged 54. The current vice president of the republic was federal deputy from 1967 to 1975 and governor of Minas Gerais from 1975 to 1978. The illness that hospitalized him from Christmas of 1982 to mid-February did not remove him from the presidential race. Recovered, he came back in full force and began to put his campaign together.

He has already served as acting president several times; the longest period was during President Figueiredo's illness in 1981 (from 23 September to 10 November). He has the support of former President Geisel and the more liberal PDS wing.

Jose de Magalhaes Pinto, Minas Gerais, aged 73. One of the civilian forgers of the 1964 movement, former governor of Minas Gerais (1960 to 1965), former foreign affairs minister (1967-1968), and former president of the Congress (1975-1976), Maalhaes Pinto has already been a presidential candidate on his own account, in 1978. Since then, he helped to found the PP [Popular Party], returning to the PDS in 1982. His age reduces his chances.

Marco Antonio Maciel, Pernambuco, aged 42. The youngest of the presidential candidates, Maciel was president of the Chamber of Deputies in 1977 and governor of his state from 1978 to 1983. In the 1982 elections, he was able to see his choice for the succession elected (Roberto Magalhaes) and won a senate seat. As a representative of the northeast, his name is one of those mentioned most for the vice presidency, but he has not abandoned his pretention to the presidency itself.

National Directorate Will Have 121 Members

The National Directorate currently has 71 members, and will have 121 starting in July. According to the party leaders, there will be few changes among the current members, who are as follows:

Adauto Bezerra, Adalberto Camargo, Alcides Franciscato, Aloisio Chaves, Anibal Barcellos, Anisio de Sousa, Antonio Carlos Magalhaes, Antonio Zacharias, Augusto Franco, Aureliano Chaves de Mendonca, Benedito Ferreira, Bonifacio de Andrada, Celio Borja, Claudino Sales, Daniel Krieger, Delfim Neto, Dinarte Mariz, Divaldo Suruagy, Ernani Satiro, Eunice Michiles, Eurico Resende, Flavio Marcilio, Francelino Pereira, Golberi do Couto e Silva, Gilberto Marinho, Heitor Aquino Ferreira, Helio Beltrao, Helio Campos, Helvidio Nunes, Henrique Cordova, Homero Santos, Hugo Napoleao, Hugo Ramos, Ibraim Abi Ackel, Jair Soares, Jarbas Passarinho, Joel Ferreira, Jonice Siqueira Tristao, Jorge Bornhausen, Jose Camargo, Jose Lindoso, Jose Lins de Albuquerque, Jose Sarnei, Julio Campos, Jutai Magalhaes, Lourival Batista, Luiz Alves Coelho Rocha, Luis Cavalcante, Luis Viana Filho, Manoel Novaes, Marco Maciel, Mario David Andreazza, Miguel Colassuno, Milton Cabral, Natal Gale, Nelson Marchezan, Nei Braga, Nosser Almeida, Nilo Coelho, Odacir Soares, Otavio Germano, Paulo Maluf, Prisco Viana, Roberto de Abreu Sodre, Rondon Pacheco, Ricardo Fiuza, Tarcisio Maia, Ubaldo Barem, Vicente Vuolo, the leader of the PDS bench in the Chamber of Deputies and the leader of the bench in the Senate.

FUNDS FOR SCIENTIFIC DEVELOPMENT DROPPING; TECHNOLOGY IMPORT RISING

Rio de Janeiro O GLOBO in Portuguese 30 May 83 p 13

[Text] The destination of only 7 percent of government funding for scientific and technical research is known to the Brazilian scientific community. These are the funds which FINEP (Funding Authority for Studies and Projects) allocates to research institutions and universities through the FNDCT (National Fund for Scientific and Technological Development). The remaining 93 percent is distributed among the ministries, state companies and elsewhere. The destination of these resources is decided behind closed doors in the ministries in Brasilia.

The scientific community would like to change this picture. It wants to have a part from now on in policy decisions regarding financing for science and technology, mainly because research funds have been declining, causing problems for several institutions. The scientists recognize that the country is experiencing a serious economic crisis, and for this very reason they believe they can play a part in making more efficient use of the resources.

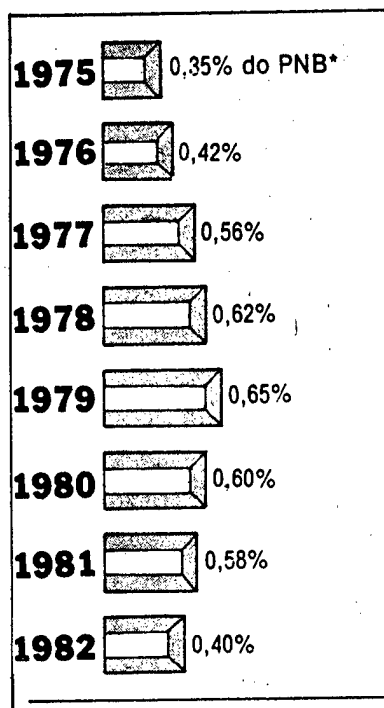
In 1979 the FNDCT budget represented 0.6 percent of the Gross National Product. In 1982 it fell to 0.4 percent. According to the scientists, from all indications, the figure will be smaller in 1983. They contrast the percentage with that of other countries. In the United States, the resources are equivalent to 2.46 percent of the GNP; in Germany, 2.28 percent; in France, 1.79 percent; and even in South Korea the percentage--0.8 percent--is higher than Brazil's.

Waste

According to physicist Ennio Candotti, of the Physics Institute of the UFRJ (Federal University of Rio de Janeiro) and a member of the SBPC (Brazilian Society for Scientific Progress), the allocations to the ministries are, for the most part, frittered away on hasty projects, poorly planned programs that in many cases are even discontinued. This is going on while the survival of institutions and laboratories is threatened--institutions and laboratories which have taken decades to establish and whose work is making significant contributions to the nation's scientific and technological development.

"In 1975/1976," said Candotti, "in the era of the Brazilian-FRG Nuclear Accord, the scientists were saying that in 1982 the country would not need all the power generated by Angra [Angra dos Reis nuclear complex]. We said that, to keep up with the energy resources offered by the nuclear plant, we would have to stimulate and to invest massively in other areas. The nuclear program went on alone. Now everyone says that Angra is wasted. But if the government had listened to the scientists, the country would have saved the some 100 billion cruzeiros a year which was invested in the plant. There is a good deal of political

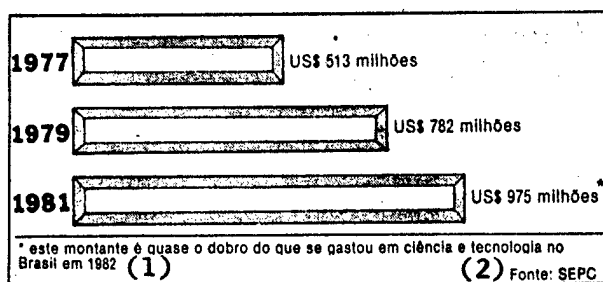
Table 1. Investment in Science and Technology (allocations from the federal budget, state governments and the state banking system)



Note: Percentage in relation to the Gross National Product

Source: SBPC and CNPQ

Table 2. Expenditures for Importation of Technology (in millions of dollars)



Key: 1. This amount is almost double what was spent on science and technology in Brazil in 1982.

2. Source: SEPC

involvement in the accord, but it should be remembered that an entire country is affected by these decisions."

The physicist pointed out that the government gains nothing by investing in huge projects if the courses to train the future technicians to work on them are faint-hearted and ill-equipped. Candotti showed the paradox in the grandiose projects with huge investments and the lack of concern for training skilled personnel.

"The Carajas project," he said, "certainly needs geologists. The geology departments have no funding or equipment. So who is going to work at Carajas?"

The lack of support for the universities goes even further. The fellowships for advanced degrees have been reduced. In May, the fellowship payments were adjusted by only 50 percent. Now the students hope that there will be a second adjustment of 45 percent in September, as promised. Last year the fellowship students received 50,000 cruzeiros per month, and this year they are receiving 75,000; the increase is smaller than the rate of inflation.

Only Idealists Stay On

Two members of the SBPC, Gilberto Velho, an anthropologist at the National Museum, and Sandoval Carneiro Junior, director of coordination of Post-Graduate Courses in Engineering (COPPE) of the UFRJ, say that more and more scholarship students are abandoning post-graduate courses.

"It is well to remember," Carneiro said, "that the fellowship students, who are receiving 75,000 cruzeiros per month, are individuals who have already completed undergraduate courses with distinction. Obviously, they cannot live on this income. Either they will turn to the labor market and abandon the fellowships or they have various 'sidelines' and are devoting only part time to their courses, and getting much less out of them. Only the idealists are staying on full time."

Gilberto Velho stressed: "In the Anthropology Department of the National Museum we train people to become more familiar with the Brazilian society. We want them to know about the panhandler, the mining prospector, the northeasterner, the 'umbandista.' There are 30 million Brazilians who practice this religion. What are they like? It is only by knowing a people that one can know what is best for it. Our students will help to plan programs that will benefit the population according to its interests, not those of the bureaucracy. But many people are leaving, fellowship students and professors alike, who are discouraged by the poor pay."

Pulling the Rug

In both the COPPE and the museum, the problems are the same; they receive funding from FINEP or the CNPQ [National Council for Scientific and Technological Development] for programs or to complement salaries, and the money ends up being used to buy materials, like lamps and paper, or to maintain the bathrooms and classrooms in functioning order, because the allocation from the Ministry of Education for these things is inadequate.

Paulo Magalhaes, assistant director of COPPE, asked: "With this exodus, who will be responsible for the Brazilian scientific model? The Americans? The Europeans?"

COPPE is making a significant contribution, from the manpower training to research in its capacity as consultant to the state companies or the government. We conduct load tests on the PETROBRAS oil platforms and even computer control of the safety of the future nuclear plants. Our funds are scarce. Are we going to throw 10 years of work in the trash? There was a time when research institutions were given serious attention; now the rug is being pulled out from under them."

Ennio Candotti cited figures. They show that, whereas funds for Brazilian research are declining, the Central Bank statistics indicate that expenditures for imported technology are increasing. In 1977, those expenditures amounted to \$513 million; they were \$762 million in 1979 and \$975 million in 1981. The question remains:

"How can we substitute for imports if the foundations for scientific and technical training in this country receive less and less funding?"

Sandoval said: "We are always taken by surprise. We never know if there will be changes in the direction of FINEP or the CNPQ. We can only guess. How much will we receive this year? What will happen? Will we have to abandon some project? For this reason, at the end of last year, when a confidential government document was leaked indicating drastic modifications in the organization of the two agencies, we went to SEPLAN [Secretariat of Planning] and asked to take part in shaping scientific policy decisions.

"After much backing and filling, a group of six scientists drafted a document and they will take it to Brasilia on 7 June, to deliver it to Flavio Pecora, secretary general of planning. They propose that, through the SBPC and the Brazilian Association of Sciences, the scientists participate in the Science and Technology Council (connected with the CNPQ), which should be a forum for decisions regarding the direction of scientific and technological research in the country. Theoretically, the council has this responsibility, but it does not function that way in practice. The scientists want the council to really decide policy in the sector, with the participation of the scientific community and the government. The scientists also ask that, instead of being consultants, they have a deliberative function in FINEP and the CNPQ.

"We do not think," said Gilberto Velho, "that Brasilia is in a position to determine the direction of scientific research. FINEP and the CNPQ are right more often than they are wrong. But we think that, with our knowledge of Brazilian reality, which we have amassed over all these years, we could make a large contribution."

The scientists' plans do not end there. As Ennio Candotti explained, they want to vitalize the Science and Technology Committee in the Federal Chamber and encourage the creation of a similar committee in the Senate, so that the future of scientific research will be debated in the National Congress.

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CS0: 3342/125

DOCUMENT SIGNED BY DEPUTIES IN NICARAGUA CRITICIZED

PA092006 San Jose LA NACION in Spanish 1 Jun 83 p 14A

[Editorial: "A Shameful Document"]

[Text] While the Managua regime violates our territory, kidnaps our countrymen, unleashes the most unfair campaign to discredit Costa Rica that we have ever suffered, and scornfully pulls our leg regarding the payment of its debts of approximately \$100 million, well knowing how urgently we need those resources, six Legislative Assembly deputies, who were elected by our people with specific democratic mandates, travel to Nicaragua with all expenses paid by the regime and sign a shameful document, one that will make history, with a spurious body absolutely docile to the Cuban-Soviet axis.

The deputies are: David Fallas Alvarado, National Liberation Party [PLN]-San Jose; Erick Ardon Ramirez, MRP [People's Revolutionary Movement] - San Jose; Ricardo Rodriguez Solorzano, "independent" - Alajuela; Themla Curling Rodriguez, PLN - Limon; Julio Jurado del Barco, PLN - San Jose; and Alvaro Montero Mejia, Costa Rican Socialist Party - San Jose.

The document of democratic surrender that these deputies were led to sign in Managua includes a joint statement by the "delegation"--or rather the "self-appointed delegation"--of the Costa Rican Legislative Assembly and the Foreign Commission of the Nicaraguan Council of State. The two signing entities have nothing in common. The six Costa Rican deputies just listed are members of a constitutional parliamentary body, who were elected by the people in democratic and pure elections. Four of these deputies belong to democratic political sectors. The foreign commission of the Nicaraguan Council of State, however, is a passive instrument of the FSLN National Directorate, to which it is subjugated. The directorate, in turn, is not independent, because from the beginning it has depended on Moscow's political will.

The document, drafted no doubt by the hosts of that small group of gullible visitors, is the first step taken by the Nicaraguan regime to promote a democratic justification for their dictatorship with the help of all the naive or wicked persons they can find in America.

The maneuver is one of those masterpieces that only unscrupulous communists can perpetrate. It consists of /legitimizing/ [slantlines denote boldface as published], by means of joint communiques signed by the members of parliamentary bodies of unquestionable legal and democratic origin, an organization which, under the alias of Council of State, mocks Latin American and European democracies.

Every citizen with democratic convictions who has refused to be manipulated by behind-the-scenes interests has withdrawn from the Nicaraguan Council of State. For this reason, the Council of State has been reduced to a handful of unconditional members without political will or dignity. It has been with this imitation of a parliament that six Costa Rican deputies, with the cleanest credentials granted by the people, were led to sign the sale of democracy in Managua.

The entire audacious and cynical program presented in that spurious document is one of the saddest chapters in our republican history because it seeks to legitimize Sandinist totalitarianism--all the more radical and repressive the more it is harassed--/all over the world/ [slantlines denote boldface as published]. The document in question calls not only for joint vigilance of the common border, but for advocating hemispheric and world parliamentary meetings to defend Soviet-Cuban presence in the heart of the Caribbean.

But the comedy was even worse. At the very instant that the hesitant Costa Rican forefathers candidly signed the document, one of the regime's most authoritative publicity organs, EL NUEVO DIARIO, published a fierce and venomous attack against President Monge, which kept [communist] Deputy Valverde from Alajuela from signing due to the patriotic tremor in his hand. [sentence as published]

The Costa Rican congressmen made a sincere confession of neutrality in the libel, while the Sandinist "parliamentarians" simultaneously reassert their determination to continue their Marxist-Leninist escalation and to confront the Western democracies and the United States. The "active" neutrality, under whose inspiration our "parliamentary delegates" signed the surrender of democracy, is only "active" for the contribution it has made to the Soviet penetration of Central America and the Caribbean.

CSO: 3248/902

ARTICLE ON 'FAILURE' OF CONTADORA GROUP MEETING

PA102148 San Jose LA NACION in Spanish 3 Jun 83 p 15A

[Article by Gonzalo J. Facio, former Costa Rican foreign minister:
"Contadora's Failure"]

[Text] The meeting of the Contadora Group foreign ministers with those of the Central American countries in Panama in the last days of May raised great expectations.

I publicly expressed my skepticism. The resounding failure of the meeting which has now been reported by the news agencies unfortunately proved me right. I would have been glad to have been mistaken. I would have been pleased to admit that the Contadora Group had at last correctly viewed the problem of violence in Central America and on the basis of this had made decisions that would lead their efforts toward the path of peace. But, of course, it did not do so. Nevertheless, one has the feeling that serious reservations are emerging within the Contadora Group on the Mexican position that is so favorable to the Sandinist totalitarians and the Marxist-Leninist guerrillas of El Salvador. The feeling is that since the Mexican position no longer completely predominates, the members of the group were unable to reach agreement on any important decision.

As is evident, the situation of violence being experienced by Central America has two main expressions: 1) In Nicaragua there is a popular anti-Sandinist insurrection, which the commanders are trying to present as an international war promoted by the United States and Honduras; and 2) In El Salvador there is an international aggression by the Soviet Union through its satellites, Cuba and Nicaragua, an aggression that the guerrillas are trying to present as a popular insurrection against the Salvadoran Government.

The U.S. intervention in Nicaraguan affairs that Nicaragua is now denouncing is the result of the prior intervention of the Soviet Union through Cuba and Nicaragua.

The alleged U.S. intervention in El Salvador that the FMLN guerrillas and their allies are denouncing is no such intervention. It is the legitimate cooperation of the main Western power with an established government that is the result of the first truly free election ever held in that long-suffering

Central American country. The United States provides this cooperation so that the legitimate government of El Salvador can defend itself from the international aggression promoted by the Soviet Union through the regimes of Fidel Castro and the Sandinist commanders.

Therefore, in the case of Nicaragua we are seeing an internal popular uprising that is being presented as an international aggression. On the other hand, in the case of El Salvador, it is an international aggression that is being presented as an internal popular uprising.

As long as they do not clearly understand the true situation of those two countries, the Contadora Group ministers will be unable to find a formula that will really serve the interests of peace in Central America.

An appeal to the superpowers to completely withdraw their support to the respective sectors involved in the struggle will only favor those who are trying to turn Central America into a group of totalitarian states committed to helping the Soviet Union achieve its great strategy: to surround the United States and promote a communist revolution within the principal capitalist power.

In fact, the suspension of the U.S. "covert" aid to the anti-Sandinists would only contribute to consolidating the Marxist-Leninist totalitarian regime that the nine commanders are determined to establish in Nicaragua and the rest of Central America.

The suspension of the U.S. "open" aid (although small) to the Salvadoran Government would enable the Marxist-Leninist guerrillas to continue more successfully their military and terrorist campaign (helped unofficially by Cubans and Nicaraguans) to force the Salvadoran Government to negotiate with the members of the FMLN on their participation in the government, a participation that they have so far not won in either on the battlefields or in the electoral polls.

It is evident that, in the Contadora Group, Mexico supports and defends the existence and stability of the Sandinists' totalitarian regime. It is also evident that Mexico views the Salvadoran regime, which is the product of free elections, as illegitimate and that it believes that those who really represent the Salvadoran people are the minority of guerrillas, armed, indoctrinated, and directed by the Soviet Union through its Cuban and Nicaraguan satellites.

Fortunately, everything seems to indicate that the governments represented in the Contadora Group, mainly Venezuela, no longer accept the Mexican position, and that this is the main reason why agreements were not reached during the meeting in Panama at the end of May.

In this way, the failure of Contadora, even though it might produce the breakup of the group, could mean the first step toward the victory of those of us who in Central America work for the only formula that in the end can guarantee peace: the disappearance of any dictatorial regime (of the left or the right) that is established in the isthmus, and its replacement by a democratic, representative, and pluralistic government that is the result of a truly free election.

COUNTRY SECTION

COSTA RICA

BRIEFS

AMBASSADOR TO VATICAN--Vatican City, 26 May (EFE)--Enrique Obregon Valverde, presented his credentials as Costa Rican ambassador in the Vatican City to Pope John Paul II on 26 May. He is also the ambassador to Spain. [PA030122 Madrid EFE in Spanish 1402 GMT 26 Jun 83 PA]

CSO: 3248/902

TRADE RESTRICTIONS WITH GUATEMALA TOO CUMBERSOME

SCIS Appeals to Government

San Salvador EL MUNDO in Spanish 22 Apr 83 p 2

/Text/ The Society of Salvadoran Merchants and Industrialists /SCIS/ reported yesterday that Guatemalan officials continue to block Salvadoran commercial activity, "thus gravely endangering current commercial treaties between El Salvador and Guatemala."

The SCIS says it is investigating various problems faced by small and medium-scale merchants who must trade with Guatemala--problems, they say, that grow worse at customs stations, where officials force Salvadorans to carry out cumbersome paperwork that is difficult to accomplish in a short time, thereby causing exaggerated costs that hurt merchants' pocketbooks.

A special communique from the SCIS states:

"During the second week of this month, a delegation from the SCIS appeared before Ricardo Alvarenga Valdivieso, undersecretary of the economy, in order to express the SCIS's deep concern with the type of restrictions imposed by the Government of Guatemala, which occasion even worse fracturing in an already crumbling Central American integration.

"The most serious aspect of the problem is that recently restrictions are on the increase, which is why the leadership of the SCIS is asking our country's officials to seek appropriate measures to have Guatemala eliminate such barriers, which we insist are hindering free trade. Otherwise, we will ask that the border be closed to all products originating in our neighboring country.

"It is illogical that the "Group of the 77," in a recent conclave held in Argentina, has asked the world's developed countries to suppress barriers that hinder international trade and prevent normal growth of exports from developing countries, we here, at the level of poor countries, should be destroying ourselves by throwing up obstacles to one another. The case of Guatemala is clear.

"The SCIS hopes that this problem will be solved with a high sense of nationalism by our authorities, to the benefit of thousands of families that depend on small and medium-scale commerce."

Banks Will Revise System

San Salvador DIARIO LATINO in Spanish 30 Apr 83 p 1

/Text/ Guatemala and El Salvador will establish, at the earliest possible time, a temporary system to facilitate operations derived from reciprocal trade at their respective central banks.

A statement to this effect was issued today by the Central Reserve Bank /BCR/ based on a recent meeting held in our neighbors' capital, and attended by the ministers and undersecretaries of the economy and the vice-presidents of our central banks.

"There exists a resolve to facilitate as much as possible operations derived from bilateral trade between El Salvador and Guatemala," declared the Department of Public Relations of the BCR today in a communique that summarizes the points of a proposal submitted by Salvadoran delegates in particular.

In a "Memorandum of Understanding" signed by both countries in order to investigate the various aspects of free trade requiring practical solutions, a system of payments is proposed based on the use of domestic currencies and the revision of standards and practices followed in the registration of importers and exporters, in order to expedite the flow of merchandise. The aforementioned memorandum is under consideration by Guatemalan and Salvadoran authorities, and it has been requested in the meantime that administrative restrictions on Salvadoran exports be lifted.

El Salvador's BCR attributes special significance to the prompt removal of obstacles to trade with Guatemala, given the high volume of activity between the two countries, and due to the fact that the economies in question are interdependent, with operations that have functioned very satisfactorily during normal commercial activity at a regional level.

9839

CSO: 3248/789

DEPUTIES VOICE CONCERN OVER PRICE INCREASES

San Salvador DIARIO LATINO in Spanish 9 Jun 83 p 2

[Text] The president of the republic, Dr Alvaro Magana, feels confident that the prices of many products will soon return to their former levels when the psychological and speculative impact, which accompany any tax increase, have passed.

President Magana stated that in fact there are products being sold at increased prices which are exorbitant with respect to the prices affected by the Stamp Tax. Nevertheless, he added, the Finance Ministry is already intervening in the matter to correct such irregularities.

On the other hand, yesterday the Constituent Assembly at the committee level was discussing what day was going to be set for Finance Minister Jose Manuel Pacas to testify. It has been a week since the decision to summon him was made.

Meanwhile, some deputies said they were receiving complaints from citizens who indicated that the price increases had been occurring even with basic products not covered by the Stamp Tax since they are controlled by the Finance Ministry. According to the statements of some deputies, people believe that the Assembly is turning a deaf ear to this problem and that the idea of questioning the Finance Ministry was only a publicity move since obviously questioning the official should have been done right away.

CSO: 3248/941

ECHEVERRIA'S LETTER WELL RECEIVED BY POLITICAL PARTIES

General Censures Military Government

Guatemala City DIARIO EL GRAFICO in Spanish 7 Jun 83 p 5

[Text] For our readers' information, we are reprinting here the entire text of the open letter from Gen Guillermo Echeverria Vielman to the president of the republic, Gen Efraim Rios Montt, which was read on air time paid for by television.

The open letter sent by Gen Jose Guillermo Echeverria Vielman to the president of the republic states, verbatim:

"Guatemala, 5 June 1983.

"The Honorable Staff Brigadier General Jose Efraim Rios Montt.

"His office, National Palace, Guatemala City."

"Honorable General:

"Faithful to our friendship, forged in the military service, with honor toward it and in view of the situation that our native land is experiencing, I deem it fitting at this time to make these comments to you, with which I believe that I am making a contribution to Guatemala, the Army and my friend.

"I happen to be the general officer with the greatest seniority on active duty, and my life has been devoted entirely to professional military service. I am not afraid to convey my statement to my comrades in arms, because I know that my unsullied service record and my professional ethics back the integrity of the views that I shall express herein in their eyes. Nor do I fear public opinion, because the public will know how to evaluate the good intentions inspiring one who, like myself, has been a faithful servant of the nation, without self-interested jibes and without giving cause for complaints against him.

"A year since the military action of 23 March 1982, which deposed the previous government, now that emotions have been calmed, allowing room for objective judgment, it is accepted that this movement was a necessary blow to an institutional structure that had been increasingly ridiculed by the very public officials who were responsible for its care, who could not understand that their dishonesty and abuse of authority had exhausted the people's patience.

"Therefore, the downfall of that regime was well received, and the population prepared to enjoy a new era, with the Army as a guarantor; it was to mean security and free enterprise for the country's political, social, economic and cultural development, and a prompt return to constitutionality. Nevertheless, the passage of time disclosed that the hopes harbored had been premature, because the new administration, far from fostering consultation of the people, was already appearing as the only decision-making power in the nation.

"Though it is regrettable and painful to admit, de facto regimes are not alien to our political idiosyncracies, and, on occasion, they have been warranted and accepted; but on the condition that they be of brief duration, because history has proven that their popularity begins to wane on the very day that they come into existence. This fundamental truth seems to have been forgotten by a regime which is not seeking a prompt electoral solution, but rather appears to have lost its original purposes, embarking increasingly on the adventure of making itself legitimate by engaging in governing.

"The political openness would be well received by everyone if you were not bent on gearing it to a plan that is extended indefinitely and replete with requirements, forgetting that the problem is not one of laws, regulations or identity papers, but rather one of people. It does not matter how many rules are devised to make an electoral process honest, if the consecutive governments, abusing their authority, intend to make a mockery of it. The election frauds, using counterfeit identification, theft of polls and changing of results have already gone down in history. At the present time, the election frauds are exerting pressure on the electoral population, by means of threats and acts of violence, ranging from mere unethical false accusations to detestable kidnapping and reprehensible political crime.

"As a military man, I am concerned about the commitment which has burdened the Army since 23 March 1982, as the promoter of an institutional change in the country. That change should have occurred within a short period of time, thereby avoiding the armed institution's involvement in backing acts of government in which it has no participation; because, although you claim the contrary, to the people of Guatemala and to international opinion, the Army is the only one really responsible for what is done or what fails to be done under the current regime.

"So long as there is no constitutional government, we Guatemalans shall have to accept the action of an administrative group which is lacking in homogeneity, owing to its very origin and to the lack of a definite government plan. In this same connection, we shall also have to accept the regrettable consequences and effects of international isolation, stemming from the absence of an elected government that would give the country suitable representative status abroad; the latter with an immediate consequence which should deeply concern your regime: So long as the government of Guatemala lacks legitimacy, the total loss of our rights in Belize will be consolidated, because both Great Britain and Belize itself will have a justified excuse, abetted gratuitously, not to negotiate with one who lacks legal representation of the Guatemalan people.

"In a different respect, for the first time in the contemporary history of Guatemala, religious sectarianism is being practiced from the highest government positions, to

the extent that its officials, ignoring what were mass demonstrations of affection and faith among the people for Pope John Paul II, demonstrated coldness toward him, were disrespectful and maintained an attitude of rejection, thereby causing an unnecessary affront to the Catholic population which, sooner or later, will make its repudiation of this act known.

"The complexity of a modern state poses for the Army the need to know thoroughly and in detail all of the country's problems, including those of a political nature; and, on the basis of this knowledge, the Army must direct its action and its influence toward the attainment of the goals that will mean making a reality of the desires or aspirations of the majority of citizens. The foregoing does not authorize the Army to meddle in devious partisan affairs; much less to be prompted, out of patriotic zeal, to occupy the leading positions in public administration.

"Two Central American armies have succumbed to unsurmountable crises in less than 3 years, because of having distorted their mission and their functions: the Nicaraguan one, which was totally annihilated; and the Salvadoran one, which is faced with a struggle of uncertain results, wherein its survival is seriously jeopardized. Both institutions, which had great prestige and power in the past, made the same mistake: becoming allied with sectarian political interests to share in public power.

"With the respect deserved by the one who is responsible for overseeing the welfare of the entire military family, I take the liberty of making the following suggestions or recommendations to you:

"1. To adopt the suitable measures for dissociating the Army as a whole, and the officers individually, from all participation in governmental activities which are, per se, political, and consequently alien to the functions, work or missions that are quite clearly defined by the laws and military regulations.

"By acting thusly, the Army will retrieve credibility in the eyes of the citizenry, because it would prove that the motives of the movement of 23 March 1982 were not based on ambitions for power.

"2. To call for elections immediately, so as to form the national constituent assembly. For one who controls the force which lends power and the power given by force, nothing is impossible to achieve. If this recommendation is heeded, by 23 March 1984 at the latest Guatemala would enjoy a legal government which, day by day, is constituting the desire of all sectors of citizens.

"3. To leave in abeyance the tax reform bill, because it would upset all sectors of the nation; and therefore it must be studied, analyzed, discussed, revised, approved and put into effect by a legislative body that has been democratically elected and legally established.

"In conclusion, I wish to make it clear that there are no concealed motives behind this statement. Those who seek them will be wasting their time, because it is only my voice alerting and warning the Army, to which I have devoted my life with patriotism and integrity, and to you, General Rios Montt, to whom our long-standing friendship obligates me.

"Sincerely, Brig Gen Jose Guillermo Echeverria Vielman. Serial No E-141-01-538-12."

MLN, CAN Show Support

Guatemala City DIARIO EL GRAFICO in Spanish 7 Jun 83 pp 8, 44

[Text] Guatemala City, 6 June (from our editorial staff)--Today, the National Liberation Movement [MLN], the Nationalist Authentic Central Party [CAN] and the National Unity Front [FUN] announced their support for the open letter which Gen Jose Guillermo Echeverria Vielman sent to President Rios Montt on Sunday, requesting of him the prompt calling of elections.

MLN, through its spokesman, Mr Alberto Antoniotti, stated: "Since the coup occurred in 1982, we have been stating what has been voiced by General Echeverria Vielman. This will demonstrate to General Rios Montt that it is not only we politicians who deem it an urgent requirement to return to the constitutional order that is being called for all over the country. We view with great sympathy the statements made by Echeverria Vielman, which are also a protest from the Army. Also from that statement, we observe that the Army is in agreement with the use of neighborhood identity cards, if there is no time available for using the single document. The Army agrees with the people's desire."

CAN Also Backs It

The Nationalist Authentic Central Party, through its secretary general, Mario Aguilar Arroyo, commented: "General Echeverria Vielman's statements attest to a sincere attitude, which we believe is widespread, not only among civilian sectors, but among the military as well.

"In his letter, General Echeverria made a correct analysis of the role that the Army is playing, diverting itself from its true function. CAN also believes that the National Army should not assume responsibilities that are dissociated from its authority. It is too precious a bulwark to be risked in government functions.

"If the measures adopted in the executive body without debate and consultation of the people prove unpopular, the Army and not a political sector would be responsible in the eyes of the people.

"We share with General Echeverria his concerns and recommendations.

"We believe that the constituent assembly should be established, and not called, in March 1984, and that the tax reform should be the result of consensus, and not imposition."

FUN Is In Agreement

Gabriel Giron Ortiz, of the National Unity Front, said that his party believes that a de facto government is a producer of insecurity; and therefore, neither our own people nor foreigners dare to invest, for the very reason of the lack of a Constitution of the Republic, which must be a creative standard ensuring the other laws in effect.

The acknowledgment made by one of the most honorable generals in the Army of Guatemala of the urgent need to return to constitutionality is a sign that, if the members of the armed institution recognize this, FUN reiterates the fact that in March 1984 there should be a return to constitutionality by voting with a neighborhood identity card.

PNR Acknowledges It

The National Renewal Party [PNR] stated: "General Echeverria Vielman's statement is a reliable, authorized declaration, calling upon the armed institution to reflect." It cites the point that PNR itself and other groups have been making for some time: the feasibility of returning to constitutional channels.

It remarks: "Nevertheless, the importance of his statement lies in the undeniable prestige of General Echeverria, who cannot be accused of any type of political interest, but rather whose military professionalism is fundamentally acknowledged."

PR Recognizes General's Stature

Guatemala City DIARIO EL GRAFICO in Spanish 8 Jun 83 p 8

[Text] The secretary general of the Revolutionary Party [PR], Napoleon Alfaro, in commenting on the contents of the letter sent by Gen Guillermo Echeverria Vielman to the president of the republic Gen Efraim Rios Montt, stated: "I hope that now it will be reflected upon, and not relegated to forgetfulness too, as is happening with our serious national problems that we are experiencing again with the comments made every Sunday night."

On this subject, Alfaro added: "I believe that the letter is highly important, but it is made more important by the person who signed it; because he is a general on active duty in the Army of Guatemala, and his reflection notes primarily that the Army should occupy the place that belongs to it, such as the defense of the country's institutionality, and the maintenance of order and national sovereignty.

"As for the other aspects of the message, it is unquestionable that this has already been stated by the politicians; but since we Guatemalans maintain a special worship of military personality, for this reason, history has now been made and there has been a great deal of comment on the fact that he has analyzed the legal status of the present de facto government, asking for a prompt return to constitutionality and for the postponement of the tax package that would victimize the people. The problem of unemployment, the serious economic crisis that we are undergoing, and the political disorder that it is producing, which will explode in the people's confusion have been created by the political laws. The international isolation of the country and the forgetfulness of the Belize problem have assumed unquestionable timeliness because they were stated by an Army general although, I repeat, they had already been noted by other politicians, and they were also cited in a correct and thorough manner by the Guatemalan Bishops Conference, which proposed solutions for these problems as well."

FDP Calls for Elections

Guatemala City DIARIO EL GRAFICO in Spanish 8 Jun 83 p 8

[Text] "Popular Democratic Force [FDP] admits that the statement made by General Echeverria Vielman adheres to the truth and to the Guatemalan people's concern for returning to constitutionality as soon as possible," remarked Francisco Reyes Ixcamey, that committee's secretary general.

Reyes Ixcamey added: "It is not feasible for a people to be under a de facto regime for several years. When I was sworn in as secretary general of Popular Democratic Force, I told the national press that pure democracy occurs with the people's intervention in the government, and this can only be achieved through the participation of the political parties in popular elections."

FUR: Army in Crisis

Guatemala City DIARIO EL GRAFICO in Spanish 8 Jun 83 p 8

[Text] Guatemala City, 7 June (from our editorial staff)--The United Revolutionary Front (FUR) and the Democratic Institutional Party (PID) also back Gen Guillermo Echeverria Vielman's open letter to President Rios Montt.

FUR, through Cesar Augusto Toledo Penate, commented: "In general, the letter shows the serious crisis that the country is undergoing; and, in particular, it reflects the fact that there is also a crisis in the Army."

It added: "It must also be admitted that the letter states more or less the same thing said by Lieutenant Lopez Bonilla, on behalf of the Army, on 23 March of this year; and that more or less the same thing has been said by the president of the republic in his speeches.

"This is also in accord with some proposals made by the right, but it likewise voices other proposals that have been made by the left."

Toledo Penate added: "FUR has no prejudice against the military. The general wagered on being a hero, and he succeeded in doing so.

"General Echeverria Vielman's attitude, though he claims the contrary, is a political attitude, and any decision that the high command makes regarding the case will be a political decision. So, if the high command remains indifferent, it is a political attitude. If it punishes him, that is also a political attitude. If it discharges him, that too is political. In any of the instances it would be such, and in any event it will be benefiting General Echeverria."

PID in Assembly

Last night, in a political council session, PID made an analysis. The party's secretary general said that the widespread view in Guatemala is one of support for General Echeverria's statement; but, as has always been traditional in the party, a calm, analytical, official statement is being issued, on which they were working last night at the political group's headquarters.

2909

CSO: 3248/892

MNL OFFERS SOLUTIONS TO ECONOMIC CRISIS

Guatemala City PRENSA LIBRE in Spanish 29 Apr 83 p 24

[Text] The MNL [National Liberation Movement] yesterday made a public statement of a permanent nature to the government of the Republic. In the introduction, it discusses the grave economic crisis the country is undergoing and makes a diagnosis of the current economic situation. It offers solutions and conclusions.

The statement contains the following questions: Who and where are those responsible for the election fraud? What legal steps have been taken against them? Who and where are those responsible for the looting of the national treasury? What legal steps have been taken against them?

In the introduction, concerning the economic crisis, they say that the economic development model most suitable for the country is the "liberal model," subject to the forces of the market place, where the public sector interferes very little or not at all. Also, they believe in solutions appropriate to the economic, social and political realities of Guatemala, not just "transferring" academic economic models here to be applied to our peculiar situation.

It also diagnoses the current economic situation. It contains the solutions which the MNL offers the country in the fiscal, banking and financial areas, for the production sector and so forth. Finally it presents conclusions.

9204

CSO: 3248/784

PNR SUBMITS PETITION TO ORGANIZE POLITICAL COMMITTEE

Guatemala City PRENSA LIBRE 28 Apr 83 p 8 in Spanish

[Text] The PNR [National Renewal Party] became yesterday the ninth committee for the establishment of a political organization which has submitted its application for registration as a legal entity at the Ministry of Interior.

Mario Castejon, secretary-general of the committee, accompanied by its directors Francisco Revolorio, Carmen de Byrne and Jorge Canales, delivered the documents.

During a press interview at the National Palace, Castejon said that the PNR supreme leader continues to be Alejandro Maldonado Aguirre, former candidate for the presidency of the Republic.

He said that the first steps will soon be taken to reorganize the committee's bases in the interior of the country to collect the 4,000 signatures required to become a legal entity.

Castejon said the PNR invites all sectors--professional, industrial, commercial, labor and so forth--to join the new organization which is becoming one of the nation's strongest.

9204

CSO: 3248/784

FINANCE MINISTER ANALYSES SOCIOECONOMIC CRISIS

Guatemala City PRENSA LIBRE in Spanish 30 Apr 83 p 4

[Text] A real crisis, apart from the economic one, weighs heavily on Guatemalans which includes an 82 percent malnutrition ratio in the infant population, more than 3 million families without a roof over their heads, a 54 percent illiteracy ratio, unemployment, lack of water, education, etc.

This revealing statement was made by the current minister of finance, Dr Leonardo Figueroa Villate, when he referred broadly and in depth to the tax reform with which, besides other programs, the government is making an effort to achieve economic revival in the country, so said the official.

The social lag in our nation reaches alarming limits, when talking about statistics that function under the control of current government authorities and towards which items channeling of efforts and programs is headed, beginning with the objective of resolving the serious Guatemalan economic crisis.

The four most important aspects involved in this social phenomenon are: health, education, jobs and housing, not to mention many others that weigh on Guatemalans, which, moreover, now get the impact of unemployment, inflation, lack of funds, etc.

Minister Figueroa Villate said infant malnutrition reaches the amazing figure of 82 percent--for all intents and purposes nearly the total infant population of the country--while families without housing peaks at 40 percent, that is to say, 560,000 families are without housing of their own.

In the area of education, there is a 54 percent illiteracy ratio and 50 percent of the children are without schooling opportunities; unemployment now comes to 40 percent (up 12 percent and underemployment at 35 percent, with an average rate figured at 40 percent).

Finally, 57 percent are said to be without water.

9908

CSO: 3248/844

RIOS MONTT ANNOUNCES OVERTURES TO SPAIN, UNITED KINGDOM

Guatemala City PRENSA LIBRE in Spanish 3 Jun 83 p 5

[Excerpts] Guatemalan Foreign Minister Eduardo Castillo Arriola will meet in Cartagena, Colombia, with the president [as published] of the Spanish Government, Felipe Gonzalez, in order to seek a rapprochement concerning the attempts to resume diplomatic relations between our nation and the mother country.

The president of the republic, General Rios Montt, informed the press yesterday that relations with Spain continue to be positive. Despite the fact that diplomatic ties are broken, there is an interest in putting an end to the problem that arose here when General Lucas Garcia was chief executive.

The president stressed: "We are in greater need of these relations than they are."

As it is known, relations with Spain were broken off in January 1980 when a group of subversives seized the Spanish Embassy. The intervention of the police produced a situation which led to the disaster in which several people were killed.

At another point in his comments, the Guatemalan chief executive praised the attitude of the Contadora Group which has sought an appropriate way to solve the conflicts in the Central American region.

General Rios added that "Nevertheless Guatemala has maintained its position in the sense that these problems of the Isthmus must be solved by the Central Americans themselves. The position of the Contadora Group has been positive and it cannot be said that 'it has failed.'"

In a press conference held on 2 June at the National Palace, President Rios recognized the question of Belize as one of the country's most burning issues. He emphasized that, "Guatemala maintains its position in claiming the district of Toledo. In the coming months we will take steps to reinstitute talks with the United Kingdom in order to settle the disagreement."

Concerning the alleged threats against Belizean territory by the Guatemalan army President Rios said that "they were sheer speculation by Prime Minister George Price" since the idea of threatening an area belonging to Guatemala has never been considered.

FIVE THOUSAND JOIN RANKS OF CIVILIAN MILITIA

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 24 May 83 p 1

[Text] A total of 5,000 members of the civil defense patrols of the municipality of Patulul, department of Suchitepequez (rural and urban towns) were sworn in Saturday, the 21st of this month by the authorities of Military Zone No. 13, presided over the its commander, DEM artillery colonel, Hector Rafael Bol de la Cruz.

The swearing in, delivery of the national colors and of arms to the civil patrols, constituted the outstanding public functions of the program which included a concentration of help from the Guatemalan Army and full indorsement from the government in its struggle against subversion and crime in general, in the southwest part of the country.

The civil authorities, headed by the mayor of Patulul, Adrian Tello de Valle, expressed to the Guatemalan Army his deep thanks for the permanent assistance of real soldiers in the different regions of the sector referred to, for protection, for security and control, against the incursions of subversive criminal bands who try to harm honorable people engaged exclusively in their work.

In the rural areas, the civil defense patrols connected with the San Jeronimo Miramar, Santa Isabel, El Vesubio, Tarrales, El Ingenio, Santa Cecilia, San Julian, Las Vegas, Le Ermita, San Agustin, La Trinidad, Palmira, Luisiana, Santa Elena, San Jose, Los Amatorios, Santa Clara, Cocales, San Ricardo, La Primavera, La Soledad, San Bernardino, Coyolate, El Carmen and Santa Elena Sinala farms were sworn in.

So too with the hamlets El Tesoro, Coyolito, Santa Elena, Mapan, San Francisco Mapan, El Paraiso, El Mixqueno, San Antonio, Canaleno, El Milagro, El Jute, El Recreo, La Favorita, El Salvador, Bonanza, El Bosque, Oriente Covolate, San Joaquin, El Rosario, San Rufino, San Pedrito, El Triunfo and El Carmen.

The ceremony concluded with a parade in which the military units present and the members of the new patrols participated.

9678

CSO: 3248/849

MEC SEEKS GOVERNMENT INTERVENTION FOR MIGRANT WORKERS

Guatemala City EL IMPARCIAL in Spanish 7 May 83 pp 1, 3

[Text] The committee for the formation of a political party to be called the "Emerging Harmony Movement" (MEC), requested immediate government intervention to aid 50,000 Guatemalan workers who are being exploited by small farmers in the state of Chiapas, Mexico.

MEC points out that real nationalism does not consist solely in defending territorial integrity and its political sovereignty, but also in defending its Guatemalan brothers.

MEC condemns mistreatment of Guatemalans and asks the government to intervene, making a protest in that regard, taking into account the fact that Mexico and Guatemala have ratified legal instruments that guarantee workers' rights.

The committee emphasizes that "protection of migrant workers enjoys judicial standing in International Labor Law, through treaties whose fulfillment is controlled by the International Labor Organization (ILO).

MEC further states that in accordance with ILO's constitution, it favors "protection of the interests of workers hired abroad."

In a press release MEC states that "throughout the entire universe the 1948 Declaration of Human Rights declared that "every person has the right without any discrimination whatsoever to equal pay for equal work."

The international agreement also lists economic, social and cultural rights since 1966 in which there is established "an equitable payment and equal remuneration for equal work without any distinction."

"According to the [revised] 1949 agreement on migrant workers, [Para. 97] is applicable to migrant workers" without discrimination by nationality "by which a worker, be he from whatever country he may, must be given equal treatment and consideration."

"The International Labor Organization (ILO), through its organs, the International Labor Conference, the Administrative Council and the International Labor Office, has the judicial means, control mechanisms, for applying or carrying out these agreements."

Finally, the committee for the formation of the political party, "Emerging Harmony Movement," requests the government to intervene by lodging a protest, if it is true that Guatemala and Mexico did ratify the aforementioned agreements and, if not, that it request the International Labor Organization, ILO, to intervene.

9908

CSO: 3248/844

EPISCOPAL CONFERENCE: POPE'S VISIT PROVIDENTIAL FAVOR

Guatemala City PRENSA LIBRE in Spanish 28 Apr 83 pp 8, 79

[Text] A declaration issued yesterday by the Episcopal Conference states that the pope's visit was a providential favor at a time of so much pain, anguish and uncertainty.

The following is the text of the declaration:

Message From the Guatemalan Episcopal Conference [CEG]

I. We the Guatemalan bishops, members of the Episcopal Conference, met this week as Senor de Esquipulas Basilica to hold our yearly plenary assembly.

Fraternally gathered together at the feet of Jesus Christ, in a climate of prayer and reflexion, we assessed the multiple, obvious benefits bestowed upon us all--bishops, priests and laymen--by the apostolic visit of Pope John Paul II. We consider is a providential favor ot our individual churches at a time of so much pain, anguish, uncertainty and tension. Therefore, echoing the pope's 42 messages in Central America, we address all our dear priests, monks, nuns and laymen to share the fruit of our reflexion.

II. The pope, as Christ's vicar and successor of Peter, came to strengthen us in the faith we profess. Our people, duly prepared for this pastoral visit, unanimously recognized the pope as the supreme pastor of the Church and heard the word of God from his lips with new ears and a new mentality.

The heart of all his vibrant and moving messages to the different sectors of God's people was Christ, our Master and Savior. Beginning with the fact of our salvation and our union with Christ by faith and baptism, the pope was very clear in reminding the faithful of their grave duty to work for true peace which we all long for.

III. In view of the need to help our people deepen their faith in Christ and make it more dynamic we have approved a national plan for a catechism on the illuminating and existential contents of the pope's speeches as we promised in our 9 March 1983 communique.

The catechism program will deal fundamentally with Christ--the center of our faith--and his work--the salvation of man. In this way we want to respond to what the Pope directed us to do when he said:

"Your people, whose innermost being is stamped with their Catholic faith, are begging for the deepening and strengthening of their faith, for religious instruction, for the give of the sacraments, for all forms of food for their spiritual hunger." (Haiti, Celam, 1). Heirs to an evangelizing history which dates back to the beginning of the 16th Century, we the bishops of Guatemala invite all of you seriously to deepen yourselves in the faith of your forefathers which is today threatened by irrational proselytisms of numerous sects and by the extremist materialistic ideologies. We are sure that an educated, profound organic faith will confirm in their profession of catholicism those of our parishioners who, due to a chronic shortage of pastoral agents, have not had the opportunity to receive adequate instruction in the Catholic doctrine.

. The extraordinary joy, the collective enthusiasm, the great national festivity and the spirit of brotherhood which moved all of us during the pope's brief visit to Guatemala, must not remain in our hearts as a mere pleasant memory. Let us not forget that the pope came to visit a people who are suffering, as he mentioned in his farewell speech when he said he had seen "the pained face of our Central American brother which is the face of Christ."

(Farewell speech, 9 March 1983). He also came to give us reason to hope and to point out to us effective ways to solve our grave and chronic problems.

2. We were comforted by observing that Pope John Paul II confirmed in his messages the entire doctrine which our Episcopal Conference has explicitly been expounding during these painful years even at the cost of being misunderstood. He also explained, leaving no doubts, all the implications of what it means to be a Christian today in Guatemala: "It is indeed necessary and urgent that the Church, when it proclaims in your countries the Good News of the gospel to the peoples who for a long time have been suffering intensely, should continue to present with courage all the social implications of being a Christian." (To the Central American bishops).

3. Although we have no doubt that there are and will be persons who, due to their ideological position or position of power, have an interest in minimizing the social implications of being a Christian, we are sure that the pope's message has awakened in broad sectors of our population a clear understanding of our national problems. Guatemalans survive in their earthly pilgrimage to God under truly subhuman living conditions. It is dreadful constantly to observe the unworthy quality of life of the vast majority of Guatemalans, scandalously and unjustly deprived of the most elementary social welfare such as a decent residence, proper medical care, a just remuneration for work, an opportunity to educate children responsibly, the effective right to form intermediate associations in order to achieve development. To this institutionalized injustice, one must add, as a bitter fruit the violence, orphanhood, pain, fear, forced displacement, indis-

criminate repression to which numerous groups of humans continue to be victims, especially those in the high plateau of our country. Here the pained face of Christ is dramatically revealed.

4. The Church preaches and implores, as the voice of all the poor people, that urgent and radical social reform be initiated which will allow a larger number of our fellow countrymen to have access to worldly goods. A campaign to raise moral conduct, which is good in itself, is not enough if it is not accompanied by effective actions to eliminate the prostration of so many people. It is not enough to maintain the current situation in the hope that the world economy will improve so that its fruit will filter down to the poorest and the most deprived. It is not enough to talk about honesty and service if the words are not accompanied by actions and if these urgent reforms are not carried out at once. Therefore, it is urgent that the social doctrine of the Church be known and put into practice. It offers clear lines for solutions rejecting as inadequate and harmful both the materialistic collectivism, both of which undermine human dignity. (Laborem exercens, 13).

IV. The root of the evils which rob us of peace, submerge us in frustration and cause legitimate hope to fade is sin, which is an offense against God and man.

We are all guilty, in one way or another, of the state of sin in which our national community is living, because we are selfish we do not want things to change, we attempt to live an impossibility, such as Christianity without obligations toward man, or because we attempt to provide possible solutions which are contrary to the spirit of the gospel.

Christ, our Lord, came to save us, to redeem us, to free us from sin. It is this work of redemption that we commemorate in this holy year of redemption, proclaimed by Pope John Paul II. This celebration must be an occasion for penitence, for forgiveness and for deep reflection by all Guatemalans so that we will know how to be the builders of the peace which we all want but which will be impossible if it is not based on love and justice.

V. We do not wish to close this communique without again congratulating the Catholics of Guatemala on their exemplary fraternal conduct during Pope John Paul II's visit. We admire the generosity and altruism of our parishioners, especially in their prayers, sacrifices and preliminary catechistic preparation before the arrival of the pope.

We are sure that the same people who turned out to hear him in spite of certain alarmist propaganda are most interested in deepening their knowledge of the rich contents of his messages. The national catechism program will begin, with the help of God, at the religious celebration of the Pentecost, under the maternal protection of the Virgin Mary, Mother of the Church, in the church named after her glorious Assumption. We also ask of her to return to health Cardinal Mario Casariego, archbishop of Guatemala and his assistant, Bishop Monseigneur Rafael Gonzalez Estrada.

Esquipulas Basilica, 22 April 1983.

Mons Prospero Penados del Barrio, bishop of San Marcos, president of the CEG

Mons Jorge M. Avila del Aguila, apostolic administrator of Peten, secretary-general of the CEG

Mons Gerardo Flores Reyes, bishop of las Verapaces

Mons Angelico Melotto, bishop of Solola

Mons Luis M. Estrade Paetau, apostolic administrator of Izabal

Mons Pablo Urizar Barrios, apostolic administrator of Quiche

Mons Victor Hugo Martinez C., bishop of Huehuetenango, vice-president of the CEG

Mons Oscar Garcia Uriza, bishop of Quezaltenango, treasurer of the CEG

Mons Juan Gerardi Conedera, bishop of El Quiche

Mons Miguel Angel Garcia Arauz, bishop of Jalapa

Mons Rodolfo Quezada Toruno, bishop of Zacapa

Mons Eduardo Fuentes Duarte, bishop coadjutor of Solola

Mons Jose Ramiro Pellecer Samayoa, assistant bishop of Guatemala, apostolic administrator of Escuintla Prelacy

Mons Julio A. Bethancourt, assistant bishop of Guatemala and archiepiscopal delegate

9204

CSO: 3248/784

BRIEFS

TOBACCO BRINGS FOREIGN EXCHANGE--More than 13 million pounds of raw tobacco were exported during the past year, signifying for the state an inflow of 19 million in foreign exchange. According to information supplied by the mechanized Cigarette Manufacturers Association, a total of 13.5 million pounds of tobacco were exported. This product was acquired by cigarette industries in the United States, Japan and various European countries, in the Caribbean and the Central American area. [Text] [Guatemala City DIARIO DE CENTRO AMERICA in Spanish 24 May 83 p 4] 9678

CSO: 3248/849

MAY DAY BRINGS PPP, UNION INDICTMENTS OF PNC RULE

PPP Message

Georgetown MIRROR in English 1 May 83 p 1

[Text] The People's Progressive Party, in a message on May 1, has greeted the workers of Guyana on May Day. "Unfortunately," the statement observed, "the situation in 1983 is worse than in 1982. Every year brings more suffering. At the same time, the PNC regime is selling out to imperialism and putting the burden of the crisis squarely on the backs of the working people. Workers must resolve to fight back!!!

Unemployment is high and growing daily. Very little is done to increase the stock of jobs in the country. In the 6 years (1978-83) the regime spent \$117.9 million on industrialisation projects, but in one year (1983) spends \$141.6 million on security. This shows dramatically that there is no interest in creating jobs. There are some 100 important projects languishing for want for funding. The regime will wait in vain for imperialism to fund these projects, or undertake the industrialisation of Guyana.

In the industrialised West today, there are crises everywhere, and the ruling circles faced with recession, are at their wit's end. It is not in their interest therefore to industrialise the Third World countries. In the Organisation for Economic Co-operation and Development (OECD), which consists of the imperialist states, there are currently 32 million jobless workers--12 million of whom are in the USA and another 11.5 million in the European Economic Community (EEC). As the capitalist crisis bites deeper, the West tries to shift the burdens of the crisis onto the Third World.

Here in Guyana, the crisis is worsening. Large scale sackings undertaken in 1982 continue in 1983. A broadside attack has been mounted on the masses. The very basic principles of May Day are being honoured in the breach.

The economy is malfunctioning, with production and productivity at their lowest levels. Retrogression will not be halted with imperialist dictation, lack of democracy, corruption and racial and political discrimination.

The Party notes with alarm that the regime is poised to make another disastrous sell-out deal with IMF imperialists, including another devaluation

of the Guyana dollar. Any such deal can only shatter the national economy to bits and would be a treacherous stab in the back to the labour movement. The TUC must avert this impending deal now. Workers must be mobilised to stop it by confronting the regime, since honest dialogue is apparently useless.

On the occasion of this May Day, the PPP calls on the workers to close ranks in the face of fresh assaults emanating from the regime, and unitedly to intensify their struggle for a new government. This battle must be waged in the trade unions, where the members must assert themselves against collaborationist leaders who kow-tow to the PNC incompetents.

Now is the time for militancy, determination and correct leadership! Let this May Day start a fight back!

Statement from Unions

Georgetown MIRROR in English 1 May 83 p 4

[Text] The four unions, GAWU, NAACIE, CCWU and UGSA, have issued a joint statement on the occasion of this year's May Day. The Unions state that they will not be participating in the "false" May Day parade in which workers are "forced" to march. They pledge to continue the struggle for an independent TUC, end to victimisation and a just solution to the national crisis. The following is the full text of the message:

May Day 1985 once more finds our Guyanese workers and their families living close to or below the poverty line. Over the year the economic situation has deteriorated dramatically with the resultant increases in the cost of food, transportation and health services. On the other hand, the wages of the workers remain very low, while others close to the powers-that-be enjoy huge salaries.

At this point we wish to urge the T.U.C. to take steps to have the workers' wages increased so as to reflect the present cost of living level, and that the increases be based on the same formula as gave rise to the \$14.00 for 1979 which is yet to be paid.

Furthermore, we wish to urge that the T.U.C., following its protest march, maintain a firm position that the 13 per cent hike in electricity charges be rescinded, and that it seeks to have some sort of monitoring system as regards the distribution of scarce essential food items, such as milk, oil, butter. Already the vexing question as to the distribution of food has provoked a strike in the bauxite industry and such action is likely to spread to the other industrial sections if the policy of partisan distribution continues.

The four Unions have taken note that the IMF has come, gone and is still to return, and so far the TUC has not been involved in any discussions with the government as to the terms of the IMF when it is well known that these terms usually result in grave hardships for the working people. It is important

that the TUC takes urgent steps to protect the working class interest so that:--

1. there must be no more retrenchment.
2. there must be no removal of subsidies such as on sugar.
3. there must be no increases in essential services such as electricity and transportation.
4. there must be an adequate supply of essential foods such as flour, milk, oil, peas, especially in the industrial areas.

Finally, while the Four Unions will not be participating in the false May Day parade in which many workers are forced to march, we will continue to struggle for a free and independent TUC, an end to victimisation and discrimination of the working people and a just solution to the national crisis which will benefit all sections of the society.

Report on Rallies, Speeches

Georgetown MIRROR in English 8 May 83 p 1

[Text] Hundreds of Guyanese workers turned out to listen to leaders of the Guyana Agricultural and General Workers' Union during the various May Day rallies held in several locations along the sugar belt. The rallies were preceded by processions.

Speaking to a massive gathering at Better Hope, East Coast, Demerara, was the Union's Honorary President, Dr. Cheddi Jagan. Also addressing the crowd were General Secretary of the National Association of Agriculture, Commercial and Industrial Employees, N. K. Gopaul and Member of Parliament, Cyril Belgrave.

At the rally, Dr. Jagan called [line missing] ernment based on democracy, anti-imperialism and socialist-orientation.

In dealing with the state of the economy the PPP Leader stressed that each year brings added hardships to the Guyanese working masses. The ruling regime, he said, cannot balance the budget and despite all the loans borrowed the economy is getting worse. He condemned the deals being made between the ruling party and the imperialist International Monetary Fund [line missing] ism must continue with even greater vigour since the Reagan Administration and other imperialist circles have mounted a worldwide offensive against socialism.

He pointed out that in our own region, the United States, in various ways is attempting to halt the revolutionary process in Cuba, Grenada, Nicaragua and Suriname and to stop the victory of the peoples of El Salvador and Guatemala. Imperialism has created tensions all over the world.

In other rallies around the country the speakers dealt with similar matters outlining the state of the economy and the hardships of the working people. The crime situation along with the rapid deterioration of social services, the growing militarisation of the society by the PNC were among topics discussed.

MIRROR SEES HAMILTON GREEN IN NEW POSITION OF POWER

Georgetown MIRROR in English 8 May 83 pp 1, 4

[Text] PNC strongman Hamilton Green has been catapulted into a near formidable position in Guyana, being placed in charge of main economic activities, as a result of the recent Cabinet changes.

As Vice-President, Green has thus been placed in a front-line position on the IMF-PNC negotiating table on issues such as the possible return of the bauxite industry to Alcan, the shareholding plant in the sugar industry, new marketing arrangements for rice, foreign private investments in manufacturing, etc.

The third such shake-up since the infamous 1980 elections, the Cabinet has lost long-standing minister and former PNC ideologue Hubert Jack as well as technocrat-minister Frank Hope. Sallahuddin has been dropped from the Finance Ministry and despatched to Agriculture while Robert Corbin has been demoted from the powerful National Development Ministry and given a vague portfolio in charge of mobilisation.

Vice-President Steve Naraine has been upgraded, with Chandisingh and Van West Charles falling within his umbrella functions. Vice President Hoyte has similarly been upgraded, thus creating in the Cabinet a new triumvirate or a Green-Naraine-Hoyte axis covering a vast spectrum of administrative activities.

There has been no announced increase in the responsibilities of President Burnham and Prime Minister Reid, who remain the only two persons surviving Cabinet changes since the PNC went into office in 1964.

CSO: 3298/608

FAMNI SUPPORTS NICARAGUAN MISKITOS IN FIGHTING SANDINISTS

Tegucigalpa LA TRIBUNA in Spanish 30 May 83 p 47

[Text] Honduran Miskitos have organized a front for moral support for their Nicaraguan brothers who are on the Atlantic Coast fighting to drive the Soviets and Cubans out of their territory and install a democratic government.

The organization called Front Supporting the Nicaraguan Miskitos (FAMNI) issued a communique last Saturday from this capital in which they call on all indigenous people of the world to work together morally and materially with the just struggle of the Nicaraguan Miskitos.

More than 15,000 Nicaraguan indians fleeing the Sandinist dictatorship have taken refuge in the Honduran La Mosquitia area, of these about 5,000 have taken up arms and are now fighting on the Atlantic Coast of Nicaragua.

Some weeks ago the commander-in-chief of the revolutionary armed forces MISURA [Association of Miskitos, Sumus and Ramas], Steadman Fagoth reported that in the first operation carried out by the Miskitos confirming that they killed more than 1,000 Sandinist soldiers and destroyed a chemical plant.

In its communique the Front pointed out that "We, the Honduran Miskitos, have been witnesses to the misery our Nicaraguan brothers have experienced since the Sandinist regime came into power and we are ready to support them morally in their struggle for survival."

It also asserted that the communist system is a potential threat to the Honduran Miskitos because if a regime like that in Nicaragua is ever established in Honduras, they would experience the same fate as their brothers, "therefore, we reject Marxist ideology and shall fight so that it will never rule our homeland," the communique concluded.

CSO: 3248/895

SENATE APPROVES 1983-84 BUDGET, REQUESTED EXPENDITURES

Kingston THE DAILY GLEANER in English 21 May 83 p 1

[Text]

The Senate yesterday approved expenditure of \$3.2 billion provided for in the 1983/84 Budget which covered gross expenditure of \$2.1 billion on the recurrent side and \$1.1 billion on the capital side.

Acting Leader of Government Business and Minister of Construction, Senator the Hon. Bruce Golding, who carried the Bill, said that the vote was made up of: Capital Development Fund, \$154.1 million; \$1.27 billion in borrowing, and \$75 million in taxation.

He said that the Government was trying to keep the recurrent expenditure to the level of 1982/83, but allowances have been made for salaries of \$124 million. On the Capital side, there was a vote of \$62.5 million for the Agro 21 project.

The Minister said that total expenditure for 1983/84 was expected to be 10.5 per cent above the revised Estimates of 1982/83.

Senator Hugh Small, speaking for the Opposition, asked if the Government had decided to have a State of the Nation debate this year since there were a number of matters in the Budget that needed to be ventilated.

He made particular reference to the foreign exchange side of the Budget, since, according to him, there was no real debate in this section in the Lower House.

Senator Small said that the "other" House was told about breaching of the IMF letter of intent and that the \$50 million which should have been raised, did not materialised.

"We were not told when the test was failed, or even when it became apparent, although the Government knew long before," Senator Small charged, and he wondered what the consequences were going to be if the Government failed to get the \$150 million which it hoped to get from European sources.

EMPHASISING that there was need to have a State of the Nation debate this year to ventilate these issues in public, since the ventilation of these things ought not to depend on only asking questions, Senator Small said that the Government had the responsibility to give information to the people of the country.

He said that the Budget did not make any provi-

sions for the payment of emoluments to Senators, noting that only five Senators in the Chamber were being paid, although others did considerable work.

Senator Small said that the Government had found funds to give Members of Parliament substantial increases last year and also to give its employees increases ranging from 12½ per cent to 40 per cent.

He said that for the Senate to operate with responsibility and dignity, the Government must attend to this matter, pointing out that Senator the Hon. Dr. Ronald Irvine who had served the Senate for 20 years was only getting paid for the past two years.

Closing the debate, Senator Golding said that a State of the Nation debate will be held this year. He said that the Leader of Government Business, Dr. Irvine, had already given the undertaking at the last sitting of the Senate. He said that in the course of next week the Leader will be having a discussion with the Leader of Opposition Business to conclude arrangements on the date of the debate. "We intend to repair the breach of last year," Senator Golding said.

ON THE QUESTION of emoluments to Senators, he said no one was opposed to this, but emoluments to Members of Parliament had always been a sensitive matter, a matter that neither party in power wished to approach unless there was unanimity.

He cautioned against articulating the issue in the manner it was done, pointing out that certain increases were granted to Members of the other House in 1981, the first increase since 1973. He added that he knew of no group of people in the country who had waited 8 years before getting an increase.

"When you are making that increase, because we are certain that it will take another 8-10 years, very often the size of the increase is looked at without taking that into consideration," the Minister said.

He said that the members of the Senate were not dealt with at that time, but it was a matter to be pursued through discussion. He mentioned Parish Councillors who were in the same position. "We have to discuss it, to see what can be done, and to do it without any apology," he said.

LABOR DAY BRINGS EXHORTATIONS FROM NATION'S LEADERS

Seaga Message

Kingston THE DAILY GLEANER in English 23 May 83 p 13

[Text]

The Government will be paying more attention to how to encourage greater harmony in the workplace, Prime Minister, the Rt. Hon. Edward Seaga has disclosed in his Labour Day message.

Also, Mr. Seaga appealed to persons who stood to benefit from the new order for income tax relief for overtime work, not to abuse the system as it was an experiment to demonstrate Government's willingness and desire to institute tax reforms to the extent that it was able.

He said the Government would be looking at how responsibly the measures were applied in the coming year, in order to determine whether this kind of liberalization of income tax would work.

Following is the text of the Prime Minister's Labour Day message:

"I think all will agree that this Labour Day we will be acknowledging the value of our productive workforce in a most tangible way.

"Today will see the introduction of the new measures by which tax on

overtime pay will be reduced to 30 per cent.—the lowest rate applicable under the Income Tax Act.

"It is well known that the high rates of taxation which overtime pay attracted has long been a disincentive to workers who felt that the effort they made by putting in extra time at these jobs gave them little advantage in financial reward, because such a high proportion of these additional wages was deducted for income tax.

"Now there will be a dramatic decrease in tax on overtime pay, and it might be useful to give one or two examples to show what this will mean in practical terms.

"A worker whose basic pay is \$8000 per year, and whose overtime earnings are in the region of \$3,200 (about 40 per cent more than his regular pay) would, under the old tax rate, have paid \$1344 in tax on his overtime; under the new system he will pay \$960, taking home \$384 more.

"A worker who gets a basic pay of \$10,000 a

year, and whose overtime earnings are \$4000, would have paid taxes amounting to \$2056 on overtime under the old system; he will now pay only \$1200 —\$850 or 21 per cent less than before.

"Indeed workers in some categories can now pay as much as 28 per cent less in tax on overtime pay than they did before.

"While we have included a number of safeguards in the regulations governing the new measures, I would like to appeal to all those who stand to benefit from these reliefs not to abuse the new system. I must emphasize that this is an experiment, a demonstration of our willingness and desire to institute tax reforms to the extent that we are able to do so. We will be looking at how responsibly these measures are applied during the coming year, in order to determine whether this kind of liberalization of income tax will work or not.

"I myself have the greatest confidence that the next tax relief measures will have nothing but a positive outcome, and that they will provide a new incentive to many of those workers whose productive effort contributes to the country's economic health and advancement.

"It is indeed useful to remember on the day that we dedicate to the workers of this country that we must all now turn our attention to doing everything possible to increase productivity. There is no escape from the fact that Jamaica must produce more in order to survive, in order for its economy to grow, and in order to increase the benefits it can distribute to its citizens.

"There are a couple of hopeful signs. For only the second time in the past ten years there was an increase in the average level of worker output in 1982. If we can maintain this we have further hope that we can perform competitively and gain the share of wider markets that we want for the country, thereby earning more so that we can provide more — including more employment.

"Another encouraging fact is that last year — 1982 — was a better year for industrial relations than the year before. Let us hope that

this is a trend that will continue, and that the resolution of disputes in a spirit of rational understanding and goodwill will come increasingly to be the norm.

"Certainly one of the areas to which as a government we will be turning our attention more in the future is the question of how we can encourage, in practical ways, greater harmony at the workplace.

"Many of you may recall that on Labour Day 1982 — last year — I announced the setting up of a Task Force to study work attitudes in Jamaica. I did this so that we could be afforded insights and informed guidance to enable us to develop programmes that could offer motivation to workers and develop incentives for productivity as well as to help us to find a route to industrial peace.

"In order to assist the Task Force a survey on work attitudes by a well-known social scientist was also commissioned.

"The Task Force has recently submitted its final Report which is to go to Cabinet shortly.

"Among the many interesting things that this Report and its companion Work Attitudes Survey reveals is that the Jamaican worker, in evaluating his work environment, perceives opportunities for personal advancement and

self-improvement through training as more important than wages.

"This need not surprise us at all when we consider the driving ambition for self-advancement through education and training which is a characteristic of the Jamaican wherever he may be. It is a resource which we must now begin to seek ways to develop.

"It is also clear from the Task Force's Report that the quality of the relationship between management and labour is a most important component of the productive effort and that we have a lot of work to do — on all sides, to improve this relationship.

"There are of course several companies in Jamaica which already demonstrate a high degree of worker satisfaction and good worker/management relationships. But we need many more of such enterprises.

"Let us hope that we can now begin to join hands — labour and management, unions, government, private and public sector — to promote a new era in industrial relations in Jamaica that will penetrate the walls of distrust and enable us to bring greater satisfaction to work so that work itself becomes a value we all respect, and a proud expression of ourselves.

Glasspole Remarks

Kingston THE DAILY GLEANER in English 23 May 83 pp 1, 13

[Excerpts] Governor-General, the Most Hon. Sir Florizel Glasspole, yesterday called for the development of better employer/employee relations so as to avoid unnecessary disruptions at the workplace.

Such disruptions not only damage the economy but, in the long run, hurt both sides while alienating public opinion, he said.

Delivering the message at a well-attended National Labour Day Service of Worship and Commitment at the Church of the Open Bible, Washington Boulevard, the Governor-General challenged the labour movement, which is celebrating its 45th year, to be more concerned about the national economy because its existence and welfare depended on the buoyancy of the economy.

"A most positive national role is the surest way for the movement to succeed and reach greater heights of attainment," Sir Florizel observed.

Theme of the service was "Workers Together With God." Today is Labour Day.

The trade union movement, he said, must help by the process of education to motivate its membership to try to achieve greater performance-levels on the job. That way, Sir Florizel said, "lies the road to the success of the nation". Organized labour must be concerned not only about their own welfare but about the problems of the great mass of the unemployed.

Thanksgiving Service

Kingston THE DAILY GLEANER in English 23 May 83 p 1

[Excerpt] The trade union movement is as much a part of Jamaica's national life as the two-party system and the country owes much to them in its national development, for they are part of the country's heritage for which the people must be proud.

The Rev. Robert Foster, rector of the Moravian Church of the Redeemer, North Street, Kingston, expressed this view yesterday evening as he delivered the sermon at a thanksgiving service to mark the start of the third annual Trade Unions Week sponsored by the Joint Trade Unions Research Development Centre, on behalf of the BITU, NWU, TUC and JALGO.

He charged the trade unions to be aware of their responsibility, to hold the balance, not to create tension but to create harmony and the best benefits to both employees and employers, for if they failed at this crucial time of the country's development history would not absolve them.

Attending the service were Governor-General, the Most Hon. Sir Florizel Glasspole, Lady Bustamante; Senator Carl Rattray, representing the Leader of the Opposition, Mr. Michal Manley, stalwarts in the trade union movement such as Mr. Thossy Kelly; Mr. H. O. Thompson, president of the NWU; Mr. Ken Hill; Mr. E. Lloyd Taylor, general secretary of JALGO; Mr. Dwight Nelson, assistant island supervisor of the BITU; Mr. Hopeton Caven, general secretary of the TUC; Mr. Claude O'Reagan of JUPOPE, and Mr. Probyn Aiken, Permanent Secretary in the Ministry of Labour.

CSO: 3298/652

SPAULDING OUTLINES NEW CRIME-PREVENTION PROGRAM

Kingston THE DAILY GLEANER in English 21 May 83 p 1

[Excerpt] A national crime-prevention programme in which the public, through various organisations, is to play an active role in ensuring its own safety, was launched yesterday by the Minister of National Security and Justice, the Hon. Winston Spaulding.

Speaking to police officers and representatives of the Private Sector Organisation, the Jamaica Council of Churches and the Kiwanis Club, at the Police Officers' Club, Hope Road, Kingston, Mr. Spaulding described the programme as "an important aspect of our security policy in which the public as individuals or thorough various organisations or bodies, play a very definite role from an informed, conscious and organised basis."

Trained volunteers, supervised by the Police Public Relations Department are to explain details of the programme in the schools, homes, to citizens groups and religious organisations.

Mr. Spaulding said that while the trend of sustained decrease in crimes relative to a number of years is welcome "we must appreciate the need to make greater progress and not lose our gains." He said the general feeling that there has been a decrease in a particular type of criminal activity has led Jamaicans to be more relaxed and "at times careless in the protection of their properties and themselves."

"It is sad that a significant number of crimes against the person, and crimes against property is facilitated by carelessness, our failure to observe very simple procedures, or take inexpensive or easy measures which could go a far way in helping in preventing crime on the one hand or assisting in detecting it on the other, when it does occur," Mr. Spaulding said.

These crime-prevention measures, he said, are to be the basis of the programme, details of which will be explained in an "on-going campaign through literature, brochures, the media and through a team of lecturers and organizers including volunteers, many of whom have already shown keen interest and enthusiasm in this programme"

REPORT ON STATUS OF SUGAR PRODUCTION, REVISED ESTIMATE

Kingston THE DAILY GLEANER in English 21 May 83 p 8

[Text]

With 10 of the 11 sugar factories operating, 153,454 tons of 96° sugar had been produced up to 6 a.m. on Wednesday morning, with an overall ration of 10.76 tons of cane producing a ton of sugar. The revised estimate for the 1983 crop is 210,500 tons.

The quantity of cane milled was 1,650,699 tons from a total of 1,661,825 tons delivered to the 10 factories. The other factory, Gray's Inn, commenced operations on Monday, and the results of its operations are not included in the figures above.

Speaking on the sugar industry in the House of Representatives on Tuesday night, the Minister of Agriculture, Hon. Dr. Percival Broderick, said that a three-year action programme for the publicly owned factories has been approved and is being implemented with the start of this year's crop.

The management structure of the National Sugar Company had been strengthened, based upon the recommendations of a management audit carried out. The Sugar Industry Authority had also been re-organised and measures aimed at reducing the operational deficit of the Authority, were also implemented during the year, Dr. Broderick said.

The Minister told the House that another far-reaching development in the sugar industry was the settlement of the wages and bonus claims on the basis of two years, which provides the opportunity for a trouble-free harvesting during this and the next crop. "This is of vital importance, as the indus-

try cannot recover if we indulge each year in wasteful and costly strike action," Dr. Broderick declared, and lauded the BITU and the NWU on having co-operated to achieve that goal. He pledged that in future efforts concerning the industry, both unions would be consulted.

"I am quite happy to report," Dr. Broderick said, "that despite the late start of this crop, and despite the industrial action which affected the start of the crop, production is going smoothly, and at the present time has overtaken production figures for last year at the same time."

CSO: 3298/652

ECONOMIC SITUATION IN RIO SAN JUAN DEPARTMENT DESCRIBED

Managua BARRICADA in Spanish 12 May 83 pp 1, 5

[Article by special correspondent Xavier Reyes]

[Text] San Carlos, Rio San Juan--Some call it the department of paradoxes, others the department of the incredible. The truth is that Rio San Juan, which is at present one of the most backward places in the country, could well become the region in which the revolution will make its quickest progress under its strategic plans.

Though the department is surrounded by water (and by fish, as our photographer says), fishing is still a minor economic activity here.. Covering 7,600 square kilometers, it has just 35,000 inhabitants, and in some sections the population density is just 0.4 persons per square kilometer. The entire range of the country's climates is to be found here; one can find spots in which it rains 1,600 millimeters a year (such as along the Pacific) or 6,000 millimeters, as in San Juan del Norte.

One could spend a long time talking about all of the paradoxes and contradictions to be found here, and one could also spend hours "dreaming" and discussing the immediate and long-range plans for Rio San Juan. Comrade Xavier Alvarez, the political secretary of the FSLN [Sandinist National Liberation Front] in this special zone, also dreams, but he is convinced that his dreams can come true.

Farming

Rio San Juan is mainly a farming area that concentrates on beef cattle and dairy products; basic grains such as cacao, rootlet and coconuts are grown for family subsistence. In the past, however, exploitation by foreign capital made it a major producer of bananas, plantains, timber and rubber. Paradoxically, San Juan came to have one of the heaviest concentrations of workers in American rubber, banana and other companies.

Now, however, three-fourths of the department's population are peasant farmers living in poverty-stricken conditions.

They live in simple dwellings: bamboo walls with a "tambo" because of the frequent floods. They generally sleep in a sort of loft about one-half the area of the roof, which is also used to store food. The roofs are made of wood planks, generally mahogany.

Their lands are good, but they farm them with makeshift techniques. The handspike and the plow are still the traditional planting tools of the peasant farmers here. This means low production.

But here is another paradox: the conditions for rice are so good that the peasant farmers do not use pesticides. "It isn't necessary," one of them told us. Much of the population here consists of the small farmers who were forced to emigrate around 1950 by the expansion of the large farms in the country's northern and western zones.

"First they came looking for Nueva Guinea, where the Somoza regime demagogically handed over lands, and then they headed south," Comrade Alvarez tells us.

Because of the country's backward conditions, the department's crops are not processed there. For example, the rice grown here is taken to Granada to be dried and then somewhere else to be threshed.

With this dirt-poor economy amid so much plenty, how do people in the cities live? Our FSLN comrade says that some 12,000 of the 35,000 residents of the department live in cities and towns like Morrito, San Miguelito, San Carlos and Las Azucenas and that about 35 percent of them are government employees or in one way or another work either for the people's enterprises or else in government service agencies.

There are also hired craftsmen and laborers and farm hands, who in this department are concentrated almost exclusively on government farms and ranches.

Land Tenure

The fundamental economic sector in Rio San Juan is the APP [People's Ownership Sector], Comrade Alvarez explains. The large landed estates that used to be the rule in Rio San Juan have vanished. The Somozas used to own half of Rio San Juan, along with the Pellas and other families that either fled or are involved in counterrevolutionary activities.

The APP owns 65 percent of the department's growing areas (it has 30,000 head of livestock, many of them purebred), whereas in other departments it accounts for just 15 or 20 percent, as in Leon.

This social sector is the basis of the social development plans that the zone's leaders have in mind for the department. "We are certain that we are going to make faster progress towards social ownership for the benefit of all than elsewhere in the country," Comrade Xavier Alvarez states.

The department has four fundamental elements for its economic takeoff: control over the land; the development of the APP and the promotion of cooperatives; control over financing; and technology and inputs (in the case of Rio San Juan the APP is the sole owner and provider of technology).

The Agrarian Reform

"The first thing that we have thought about is straightening out production, which is currently in chaos. Our studies are moving forward scientifically so that we can decide what steps we should take in Rio San Juan's agrarian reform," he notes.

The development strategy is based on large livestock output centered around the APP, a wideranging cooperative movement and the agro-industrialization of certain products.

Ambitious projects have already started up, such as the rice project in Juan Miguel Loredo; the agroindustrial project in Solentiname, and the Palma Africana Agroindustrial Plant, which will require investments of 320 million cordobas.

"But we don't want the department to depend mainly on basic grains; we want livestock to be the main source of surpluses for the government and organized peasant farmers," he went on to say.

Cooperatives can engage in livestock raising and grow bananas, cacao, rootlet and basic grains to supply the APP and for their own consumption.

The Number One Problem

Alvarez says that the department's main problem is supplying the population. In recent months this has become a problem in soap, oil, rice, matches and toilet paper, all due to the supply situation in the country as a whole.

Until a few months ago, he stated, the department could never be certain about getting its full quota of products. Once this problem has been overcome, he plans to begin a series of projects to deliver goods by using the department's actual available resources.

"We will try to bring retail outlets as close to the peasant farmers' homes as possible," he pointed out. The fact is that there are only 45 kilometers of roads in this huge department.

Here are some more paradoxes about Rio San Juan: there is not a single automobile spare parts store or a gas station here. These items are bought at the Pilarte market, along with rope, soap, etc. There is not a single machine shop, even in San Carlos. How do you like that?

Investment

In view of all this, what are the plans? we asked him.

He replied that there are several plans for 1983, costing more than 40 million cordobas, among which we can mention: the construction of 160 dwellings in agroindustrial centers; completion of the Acoyapa-San Carlos road, and paving the first street in San Carlos at a cost of 3 million cordobas.

Other projects are: overhauling the small landing strip so that it can accomodate larger aircraft such as cargo planes; bringing drinking water to San Carlos (volunteers have already begun digging up the streets); repair the San Carlos-Las Azucenas road; purchasing another vessel for lake transport (at a cost of 9 million cordobas), and the construction of the Morrito wharf, the first movie theater in San Carlos and a good machine shop.

There are also plans to set up the area's first mass transportation system by buying six tractor-trailer units (the only ones that can withstand the winters, the roads and the demand).

The fact of the matter is that there is a world of things to do, Comrade Alvarez concludes. The Acoyapa-San Carlos road and the agrarian reform studies are going to change the future of this department, which could become one of Nicaragua's major agroindustrial producers in no time.

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CSO: 3248/865

BOLANOS ON STATE OF PRIVATE ENTERPRISE IN COUNTRY

Buenos Aires LA NACION in Spanish 26 May 83 p 14

[Article by Atilio Cadorin: "Private Enterprise in Nicaragua and the Sandinist Government"]

[Text] Managua--The Sandinist regime governing Nicaragua contends that it has plans for a mixed economy in which both private and public enterprise would contribute to the country's recovery. Private business circles are asserting, however, that such plans seem increasingly unlikely. They argue that government takeovers are continuing and that any argument ("excuse," businessmen say) will suffice to nationalize private companies.

A Marxist-Leninist Revolution

Enrique Bolanos, an engineer by profession, is the chairman of the Higher Council of Private Enterprise (COSEP), and this is what he says: "What we can gather from the statements by the commanders of the Sandinist National Liberation Front (FSLN) is that the revolutionary process they head is Marxist-Leninist. And it is indisputable that by its very nature Marxism-Leninism is an enemy of private enterprise." The future is decidedly pessimistic as far as both Bolanos and his colleagues on COSEP are concerned, and the attitude among businessmen is mostly one of resignation.

The government's inroads into private business lead inevitably to the disappearance of nonstate-run enterprises. "In light of the steps that are being taken, we can see that private enterprise is going to vanish in Nicaragua for the reasons that I outlined and that are inherent to the system of government that Sandinism established."

For the moment, the channels of communication through which businessmen had some say in government decisions seem to be permanently shut down. Little by little they left the posts that they used to occupy in Sandinist Government agencies.

One main cause of this situation and one of the grounds for Bolanos's prediction about the future has been the continual confiscations and

and takeovers of businesses and industries without any legal justification whatsoever. Many of them have been "subtly camouflaged by labor problems, petitions for confiscation by the unions or unfounded charges of capital depletion," asserted a spokesman of the Chamber of Industries.

Crisis for the Private Sector

Assessing the 3 years of the Sandinist Government, a report from the Chamber of Industries pointed out that "this has been a period in which a critical situation has been created for the private sector, and this is the main reason for the lack of investment and firm decisions, which could prevent a further decline in the process of rebuilding Nicaragua and, above all, prevent a collapse."

The leaders of the Confederation of Chambers of Commerce agree that the recession in Nicaragua's economy is partly due to external causes, such as the worldwide recession. They also point out, however, that the private sector has been slighted within the mixed economy because of the unfair competition from the People's Commercial Corporation. They go on to say that "the continual enactment of laws restricting private enterprise causes political uneasiness and the emigration of technicians and prevents investment and company expansion."

Bolanos recalled that a true national unity was forged to undertake the transformations that Nicaragua needed, a unity based on the overthrow of Somoza and the establishment of a new order. "In recognition of COSEP, which represents the private sector, the new order gave us 6 of the 33 seats on the Council of State. But as things have turned out, this was a way to involve us in political decisions," Bolanos maintained.

Businessmen had assumed that the system would be a temporary one, a provisional government with which the private sector was willing to cooperate, also temporarily, in the political sphere. "But I think that the idea of temporary has now been forgotten and that it's now time for the provisional period to end and for each to return to his specific activity," the COSEP chairman asserted.

There Is Land for Everyone in Nicaragua

According to COSEP estimates, there is almost no private investment in Nicaragua. The council then adds this piece of arithmetic. Nicaragua has about 128,000 square kilometers, which is equal to 12.8 million hectares, which in turn is equivalent to around 18 million manzanas [1 manzana=1.75 acres]. Subtracting from this the area covered by lakes, lagoons, unusable land, river banks and coasts, COSEP concludes that there are close to 12 million manzanas of useful land, 4 million of which is good farmland. "Of these 4 million manzanas, we are using just 1 million," Bolanos claims.

"Nicaragua is large enough for everyone to have land. We can undertake a generous and wideranging agrarian reform without hurting production, violating ownership rights or taking away many jobs," Enrique Bolanos stated.

The aforementioned Chamber of Industries report also points out that private business has been pressured in several ways, including confiscation and even the arrest of owners or managers. "Some of the people from whom property was confiscated had no ties whatsoever, either political or military, with the former regime. The confiscations have overstepped all legal bounds and have been arbitrary, occasionally in violation of Supreme Court rulings."

Many items are rationed at present in Nicaragua, gasoline, for example, which must be bought with coupons handed out by the Sandinist Government, which, logically, has set consumption limits.

The outlook cannot be changed, according to Bolanos, without investment. "Not only has private investment declined in Nicaragua, but government investment is down as well, and if there is no investment, there is no development," he said.

COSEP cites four main obstacles to such development: private enterprise is being described as "bourgeois" in the pejorative sense; it is accused of slow, inefficient production when the cause is actually the shortage of foreign exchange, which results in insufficient raw materials; there are no incentives, even for small businessmen. Bolanos then concludes by asserting that "to this we add the insecurity over the ideology with which the government is being imbued and the various grounds cited for nationalizations or confiscations. This makes most people wonder: When will it be my turn?"

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DAILY BLAMES ECONOMIC POLICY FOR CRISIS

PY070155 Lima EL OBSERVADOR in Spanish 30 May 83 p 12

[Editorial: "A Message We Reject"]

[Text] In an address to the nation which can only be branded as unbelievable, Economy Minister Rodriguez Pastor has told us that, despite the national economic crisis, the country has made considerable progress after nearly 3 years of government.

What does this mean?

In the opinion of Rodriguez Pastor, this means that the government's performance has been not only extremely positive, but that it has served to minimize the effects of the crisis, which crisis--in his view--is related to causes other than the real ones. Rather, the causes of the crisis are to be found in actions adopted during the nationalistic phase of the military government and, circumstantially, in the international economic recession and the natural disasters which befell the northern and southern regions of the country.

Consequently, Rodriguez Pastor has stood up in strong defense of the government's alleged accomplishments: the opening of the economy, the dismantling of the state-owned enterprises, and all the government has done to reduce the state's intervention in the economy. Along with this, Minister Rodriguez Pastor has demanded that the government's economic policy be maintained, and has drawn the country's attention to the importance of addressing the problems which he considers to be essential, not just formal. Rodriguez Pastor understands that the essential problems have to do with the rules of the game (the government's achievements) which govern the functioning of the economy, while the indicators of the crisis are just formal questions.

Concerned over the nation's obvious interest in changing the rules of the game and the economic policy adopted by the government, the economy and finance minister has not hesitated in demanding patience of a population which is on the verge of becoming desperate.

Patience for how long?

Simply for as long as it takes for the world economy to recover, and the prices of our raw materials to recoup, thus to relieve the tensions in the external sector--this is Rodriguez Pastor's entire message of hope. Meantime, we have to bear up to the lowering of the standard of living, and the daily loss of employment, not to mention the difficulties affecting enterprises and their shareholders. After all, the government may have done its part by dictating a package of "laws which, if we just have patience, will yield extraordinary results" in just a few months, that is, in 1984 and 1985, precisely when the regime will be in its final stage.

In fact, assessments such as those made by Rodriguez Pastor can almost be taken as a joke in poor taste at a time when, not only the majority of the nation but, the entrepreneurial and professional minority are experiencing a critical situation. And we are not going to mention here new indicators of the economic and social situation in which the aforementioned majority find themselves, such as the indicators of increased unemployment and the shrinking real income of those who still hold jobs. We will simply recall that for the first time in recent history, most enterprises--whether in the banking, commercial, industrial, agricultural or whatever sector--are either on the brink or over the brink of bankruptcy. We will simply recall that, by allowing the country's enterprises to founder, the country's very economic fabric will be torn up in a way that it may well take generations to mend it.

What is really happening is that most of the country's economic units are being destroyed, and this is an essential, not just a formal, problem. On the contrary, the concern with maintaining the rules of the game and the current economic policy is the formal question. And the current legislative chaos indicates that not even this formal question has been handled properly.

At any rate, it is important to realize that the country's essential problem is the collapse of its productive apparatus, as well as the authorities' refusal to admit the relationship existing between the current economic policy and the catastrophe threatening the country. Obviously this does not mean that the international crisis and the natural disasters have not contributed to worsening the situation.

The way we see it, recognizing the relationship between the present crisis and the government's economic policy--meaning the set of rules which Rodriguez Pastor does not want to see changed--is indispensable. Recognizing this, and only this, is the first condition for changing the situation and for saving whatever can still be saved of the country's entrepreneurial structure.

CSO: 3348/448

OPPOSITION LEADERS SCORE PROGRESS OF DEMOCRATIC REGIME

Lima EL OBSERVADOR in Spanish 19 May 83 p 3

[Text] The balance of the 3 years since the elections which returned constitutionality and democracy to the country is negative, according to some parliamentarians of the opposition. In the opinion of the government, the democratic hopes of the Peruvian people have been completely fulfilled.

Alan Garcia, deputy and secretary general of APRA [American Revolutionary Popular Alliance], felt that the people have had little to be happy about during these years. The high rates of inflation, price increases, unemployment and paralysis of the productive system conspire against the positive aspects of the democratic regime.

He stated that the present situation makes the citizens lose faith in the constitutional system that the Peruvian people waited for for 12 years with so many expectations. He called for the government to try to materialize the democracy which cannot be merely formal representation or a parliament and an executive branch elected in general elections.

"If only we could be happy about results but the only positive thing actually has been the fact that the elected representative democracy has been maintained." He stated that it is the duty of the Peruvians "to safeguard democracy whose consolidation will be achieved, returning hope and faith to our people through measures that benefit them."

Leftist deputy Agustin Haya de la Torre blamed the economic policy developed by the AP [Popular Action]-PPC [Popular Christian Party] alliance as mainly responsible for the frustration that the nation experiences after these 3 years.

He said that the people expected a substantial change in the economic plan in 1980, favorable to large interests, but the results have been the opposite. Today there is the greatest deterioration in the cost of living in the century. This is very dangerous "because it has caused complete separation between the people and the government."

He warned that, under these circumstances, democracy becomes precarious and very weak. This explains why, in recent weeks, there has been constant speculation in different sectors about the possibilities of a military coup.

He indicated that the most surprising part has been the statements made in the United States by former minister Pedro Pablo Kuczynski. Kuczynski stated that if the policy imposed by the IMF is continued, there will be greater instability in the country, favoring a new coup.

Haya de la Torre said: "It is curious that Mr Kuczynski now criticizes submission to the IMF when this policy has been maintained since the beginning of the Belaunde regime. Kuczynski himself was a prominent member of it."

Trotskyite deputy Enrique Fernandez Chacon said: "This is not the democracy for which the people voted in 1980." He added that Peru needs a real democracy that offers its citizens work, health, education and freedom.

Deputy Dagoberto Laynez, coordinator of the AP parliamentary bench, commented that democracy is an absolute concept and it is not appropriate to evaluate it. The democracy inaugurated by President Fernando Belaunde is filled with achievements, one of which cannot be considered minor: freedom of expression. This is exemplary on the continent and even in the world. In this sense, the regime has completely fulfilled the commitments assumed in 1980 within real possibilities.

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CSO: 3348/422

DAILY PROVIDES WARNING ON SPREAD OF TERRORISM

Lima EL OBSERVADOR in Spanish 28 May 83 p 15

[Commentary by Luis Pasara: "In the Style of Sendero:]

[Text] A union announcement was published 5 weeks ago saluting "the heroic fighting people who have endured centuries of hunger and poverty, struggle and combat in the factories, work centers, mines and slums. These are expressed in mobilizations, marches, strikes, seizures of churches and armed confrontations in different parts of the country (Sendero Luminoso), etc." At the same time, cheers for Ayacucho could be heard at several marches and demonstrations which showed unequivocal solidarity from certain worker groups.

After 3 years of actions, Sendero Luminoso has yielded 500 prisoners and another 500 deaths from its ranks. As it intended, its actions are beginning to be perceived as an alternative way, as a way to directly and actively oppose the reigning situation in this country.

This fact can upset us but it is not hard to explain. Two stable characteristics of our social life give it a *raison d'etre*. On one side, the economic crisis has become permanent; consequently, the expectations for social improvement of almost all the people have evaporated. What is more serious is that after 8 years of "stabilization," the poor in this country--who are the majority--continue to endure relentless worsening of their situation. There is no concrete hope that something might substantially improve in the immediate future.

On the other hand, the political system is absolutely powerless to act on the economic and social situation. Facing this situation of poverty, the government acts as if this were the exclusive result of natural disasters and as if it had nothing to do with it. The role of the opposition, however, does not seem to be anything but that of one who waits--with a patience far from that of the people--for a new election so that people with a different concern than those elected by a majority 3 years ago can reach the government.

Given the crisis and the inability of the politicians to alleviate it, Sendero Luminoso has a vast arena open to it. Anyone who does not see this as the key to the relative success of guerrilla terrorism now operating in Peru has decided to ignore reality. Many of the leaders of the governing alliance unfortunately have this attitude.

Some opposition politicians have adopted a different attitude which is equally irresponsible. Sensing that violent opposition to the regime will not be rejected by the people, some leaders of APRA [American Revolutionary Popular Alliance] and the United Left have opted for a certain ambiguity toward Sendero. Some have even chosen complicity--for example, by denouncing the violation of human rights only when committed by the police force.

If we accept as a fact that the rebellious protest of Sendero strikes a certain note with the hopeless poverty of an important contingent of people in the country, what should we expect in the coming months? It is obvious that that agreement cannot be controlled only by the repressive action of the armed forces, the only response the government gives today. Since there is no government reaction that affects the social climate favorable for armed struggle, it is easy to predict that we will have guerrillas around for a while.

Among those who suffer exasperating frustration, new social groups will use violence as an answer. Some will join the several thousand Senderists in action but probably this will not be the main outlet for the malaise. Under strict police-military surveillance, it will be difficult for Sendero to carry out massive recruitment.

What is likely is that, in the following months, a violent protest in the style of Sendero will begin to spread. In other words, groups mobilized for certain demands which are not heeded or satisfied will resort to violence--dynamiting, kidnapping and executions--as a way to make their contribution to the objective born in Ayacucho. Due to the natural disaster and public corruption in Piura, it would not be surprising if the next scene of violence were there.

It is not necessary for each group to imagine or attempt a connection between its decentralized violence and other subversive attempts. It suffices for each one to carry out its protest to form a spontaneous cadre of social corrosion without political leadership.

That violence would be very difficult to fight. Infiltration of a certain group, interrogation of a prisoner and even the death of an activist would only lead to one of many violent groups not connected to any other. This impossibility of repression would facilitate spreading the phenomenon and it would make this an increasingly unlivable society.

When one feels he glimpses what awaits this country, he would really like to be mistaken. However, the general degradation--already present in many different facets of national life--seems to indicate that there is room here for any catastrophic prediction.

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CSO: 3348/431

PERCOVICH ON ARMED FORCES' ROLE IN ANTI-TERRORIST CAMPAIGN

Lima EL COMERCIO in Spanish 30 May 83 p A-4

[Text] Minister of Interior Luis Percovich said yesterday that the intelligence services have to intensify their work in the ongoing anti-terrorist campaign because if they do not operate well, any plan is inadequate.

He stated that, unfortunately, the police intelligence team is being reorganized since it was dissolved during the military regime. He noted: "In spite of its efforts, it has far to go to achieve maximum efficiency."

Percovich indicated that, in his recent presentation in the legislative chambers, he requested more economic support and resources and proper importance given to those services.

He pointed out that because of the cooperation of the intelligence cadres of the armed forces, it was possible to predict and prevent terrorist acts weeks before. Unfortunately, it is not possible to achieve total control.

The minister reported that because of the acts last Friday, there were 10 arrests. These people are being interrogated. One has confessed his participation and is providing evidence about others who participated in the events in Lima.

He said that since the beginning of the democratic regime, 2,400 people tied to terrorism have been arrested. He explained that he did not say that Sendero Luminoso is in retreat or defeated. He noted: "It is deceptive to think that because the fight against subversion is not slowing down but expanding."

In statements that he gave in the stadium of the University Sports Club, Percovich felt that although the anti-terrorist campaign is progressing in some areas, it is necessary that it be taken up firmly and strongly by the Political-Military Command of the Emergency Zone and the police forces.

He commented that although it is not possible to pinpoint Sendero Luminoso's sources of economic support, it is most likely that the rebels are in collusion with drug traffic from which they ask payment for their subversive activities.

Percovich also said that no one can state that there will not be another terrorist attack. Facing that eventuality, measures are being taken to protect public and private assets.

Concerning the plan for control in Ayacucho, Percovich repeated that the "Sinchis" will gradually leave the area and police posts will be reinstated. He noted that this will permit the armed forces to take acts of terrorist repression under their direct and total control.

The armed forces will not leave until absolute peace returns, according to the minister of interior. "This is not a unilateral decision of my ministry but a plan of operation of the Political-Military Command of the Emergency Zone which the Joint Command has approved."

Concerning the police strike last Wednesday, he stated that administratively he offered not to take reprisals. However, he explained that even as minister he cannot interfere with the application of the regulations and laws of an autonomous entity like the Civil Guard.

He also left it clear that he did not accuse any parliamentarians who were in the barracks of the mutineers of being agitators that night.

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DAILY CALLS FOR MAINTAINING PEACE ALONG ECUADORAN BORDER

Lima EL OBSERVADOR in Spanish 23 May 83 p 13

[Article by Luis Millones: "Ecuador or the Need for Frontiers of Peace"; passages enclosed in slantlines printed in boldface]

[Text] Some days ago a radio station again broadcast as news the routine jingoistic proclamation of Ecuadoran aggression. Once again violated treaties or treaties not carried out were mentioned, once again border incidents were denounced, once again the Ecuadoran Government was accused of stirring up "the border question" to calm the turbulence of its internal situation.

If the intention of the speech was to arouse some dormant emotion in me, it failed miserably. Actually, the speaker made me think that his harangue could be given on the other side of the border with the indispensable variation to make Peru the villain.

Another immediate thought was the memory of a successful television program that took a survey in Quito or Guayaquil. It found that those interviewed believed in the trite stereotype of Ecuador as "our brothers in the North." This was not the unofficial or official opinion of people who hide their feelings behind a cliché. It was the opinion of ordinary people, taken at random in the streets, surprised by the camera and the reporter whom they answered effortlessly and without pressure. I think that the survey could be repeated here and the result would not be any different.

That brings me to another area of consideration. It seems that /in terms of news, our relationship with Ecuador only exists through the presence or absence of border conflicts, ignoring the thousands of people who work daily, move, have families--that is, those who live near both borders/.

For them as well as for the rest of the Peruvians or Ecuadorans, the fatherland must be understood in terms of /common destiny/ rather than contrast with their neighbors.

/How much more unites us rather than separates us?/ In the first place, there are /natural misfortunes/ or created ones: the torrential rains near the Ecuadoran border or /the devaluation/ that now pushes the sucre to the same abysmal regions where the Peruvian sol slides. Behind these unfortunate contingencies lies the border situation itself; that is, /people and land are a real

continuity with more need for food than for arms/. A long history supports this. The trite discussion about whether Atahualpa was from Quito or the son of an Ecuadoran princess (as if Peru or Ecuador existed at that time!) is starting to be forgotten in order to analyze the past with the support of archaeology and ethnography of the regions or subregions of the Andes and in reference to the political formations existing at that time.

Probably the latent armed conflict is one of the things that obscures knowledge of the border region (converted from time to time into state or military secrets). It is much larger than the 75 kilometers to be marked. I seem to recall that this is under study by a joint commission from which we are now awaiting results. Apart from this and except for some specialists, we know little or nothing about the Condor range, the nearby native groups, the environmental conditions and the natural resources. After the temporary excitement of an armed encounter or the death of some soldiers carrying out their duty, the region continues in an oblivion that hurts everyone.

It is fitting, then, to mobilize those who can and should present both countries to meet so that hostility is replaced by affection, suspicion by generosity, discord by solidarity.

All this has already been visualized by a group of Ecuadoran intellectuals and artists (and Peruvians living in Ecuador) who are beginning to influence others to establish the basis for a more fluent communication. If in many cases violence is the daughter of silence and ignorance, their proposal which I make mine is for dialogue. It is my hope that, in this way, the border will become an area of agreement between true brothers where peace goes beyond a rhetorical or interested mechanism to become what we all want in reality.

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CSO: 3348/422

ECONOMIC CRISIS ACCENTUATES LOW STANDARD OF LIVING

Lima EL OBSERVADOR in Spanish 21 May 83 p 16

[Article by Pablo Luis Saravia T.: "Study Reveals 43 Percent of Income Goes to 10 Percent of Families"]

[Text] The income distribution in Peru is very unequal: 10 percent of the families which are in the upper stratum takes 43 percent of all the income. This demonstrates that the economic growth of our country has not been reflected in a more just income distribution. Carlos Amat y Leon pointed this out in the recent book "Niveles de vida y grupos sociales en el Peru" [Standards of living and social groups in Peru] published by the Fundacion Friedrich Ebert.

The duration and deepening of the economic crisis in the last 8 years have aggravated and distorted the Peruvian family situation even more. The book states that the structural inequalities of family income, wealth and consumption are an expression of the distortions and inflexibility of the production system and the unequal distribution of the generated added value.

According to the book, letting the free forces of the market (supply and demand) adjust the financial "gaps" and resolve the backwardness and poverty of the great majority of the population is a self-defeating strategy.

It also indicates that poverty and social depression in the country are explained by the scarcity of productive resources and the inability of the management system to transform the resources of the country into indispensable goods and services to satisfy the basic needs of the population.

The situation becomes dramatic when the book reveals that 54 percent of the families are undernourished, life expectancy is only 50 years, the most elemental services are not available, 86 percent of the housing does not have potable water, 93 percent does not have electricity and 25 percent of the school-age children do not attend school.

As to family income, it indicated that although the average income in Lima was about \$254, families in the rural area received an average of only \$58. In towns the average was about \$125 and in cities it was \$151. About 66 percent of the expenditures of families in the rural area went for food. The proportion was lower elsewhere: 48 percent in cities and 53 percent in Lima.

Concerning the productive capacity for industrial goods and services, Lima produces 64 percent of the total gross value of production in Peru; 73 percent of the industrial workers work there. About 65 percent of central government expenses go to Lima and 76 percent of bank disbursements go to this city.

The study gains merit with an in-depth analysis of the socioeconomic situation of families in populated areas as well as the rural area. It presents a great variety of characteristics.

The most obvious contribution that the book makes is that it leaves the way open for a broad, democratic and educated debate on a topic which few experts have investigated and reveals a reality that should not be hidden.

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CSO: 3348/422

INE REPORT COMPARES MINING, MANUFACTURING IN 1982, 1983

Lima EL COMERCIO in Spanish 31 May 83 p A-11

/Text/ While mineral production grew by 6.1 percent during 1982, with production of both metals and petroleum increasing, manufacturing production recorded a decline of 2.7 percent.

However, in 1983 both sectors recorded serious declines in production, amounting to a drop in production of 15.6 and 11.3 percent, respectively, according to indicators for the first quarter issued by the National Statistical Institute, whose report for March has just been published.

During 1982 the increase in mineral production, as the Central Reserve Bank had occasion to comment in its economic review of the year, may have been due to the drop in the number and extent of labor conflicts. It may also be due to the fact that companies belonging to the large-scale mining sector, such as Southern and Centromin, concentrated their efforts on seams of ore having a greater mineral content, whereas medium-sized mining companies increased the use of their productive capacity and made some additions to their equipment, all of which favored the positive evolution of the mineral sector in 1982.

Petroleum

Regarding petroleum production, this increased slightly, due to the success obtained by Petro-Peru in production from its Corrientes and Nueva Esperanza wells, which had been troubled by technical problems, and the negative results obtained by the secondary production efforts of the Oxy-Bridas consortium.

However, in distinction to what happened in 1982 in the mineral sector as a whole, in the first quarter of 1983 production experienced an average decline of 15.6 percent across the board, corresponding to the subsectors of metals and hydrocarbon mining which registered declines of 16.2 and 13 percent, respectively, compared with the first quarter of 1982.

The INE /National Statistical Institute/ explains that this behavior of the mining industry is due to labor problems, which caused a loss of 3.7 million man-hours in the period from January to March, 1983. Throughout 1982 the man-hour loss was about 2 million.

Other reasons for the decline in mineral production were cited, including the difficulties in the delivery of supplies to the mining companies, the effects of weather which caused the deterioration of roads, and finally the persistence of negative external factors.

The differences in metals production for the first quarters of 1982 and 1983 were as follows:

Principal Mineral Products
(in Thousands of Units)

	<u>1982</u>	<u>1983</u>	<u>% of Change</u>
Silver (in kilograms of metal)	398.2	368.9	- 7.4
Copper (in metric tons of metal)	91.1	68.9	-24.4
Lead (in metric tons of metal)	51.3	50.7	- 1.2
Zinc (in metric tons of metal)	134.6	141.6	+ 5.2
Iron Ore (gross tons)	1,384.0	876.0	-36.7

Petroleum activity, for its part, was also affected by circumstances external to the industry. Production of petroleum declined by 2.3 million barrels, compared to the first quarter of 1982, reaching a daily average of 167,399 barrels.

Industry

Regarding manufacturing production in 1982, it recorded a decline of 2.7 percent, as a result of stoppages in production in some industries processing raw materials, such as the fish preserving industry which, because of the external market, saw its sales contract, while at the same time it faced supply problems.

Nevertheless, production by the beverage and industrial chemicals industry increased. In the first case this was principally due to the dynamism displayed in the production of beer. The beer industry has been working at full capacity, supported by an aggressive advertising campaign. The production of soft drinks was maintained at the 1981 levels.

Regarding industrial chemicals, the increase was due to the expansion of the Bayer acrylic fiber plant, which increased its productive capacity by 50 percent, counterbalancing the smaller production of fertilizers, which is the result of a decline in the cultivation of cotton and competition from imported fertilizers.

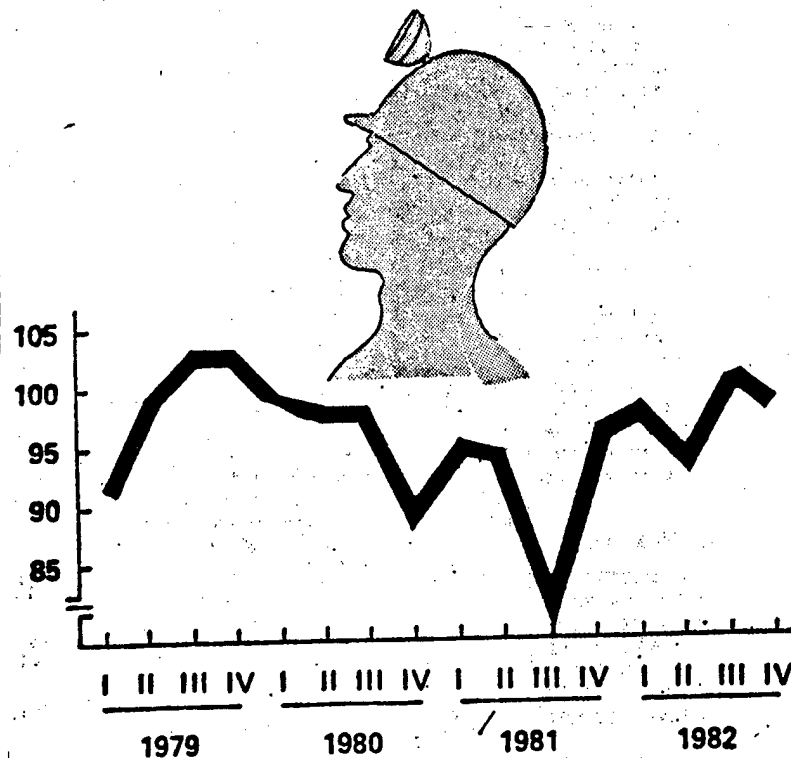
The textile industry, in turn, registered a decline due to problems of selling its production in world markets, which have been affected by the imposition of countervailing tariffs by the United States, by a smaller domestic demand for textiles, and by competition from imported goods.

The Central Reserve Bank cites as a reason for the reduction of production in other subsectors of industry the competition of foreign products brought into the country.

For its part the INE, in its first quarter report, makes no comment on the behavior of the industrial sector, limiting itself to setting out the declines in production in each of the sectors, as follows:

Food, Beverages, and Tobacco	- 2.1
Fishmeal	-27.9
Textiles and Leather	- 4.9
Paper, Printing, Book Publishing	-15.9
Chemicals and Chemical Products	- 4.6
Non-Metallic Minerals	-13.6
Basic Metals	-28.9
Metals and Machinery Industry	-18.8

(1)
PRODUCCION MINERA *
 (1979 = 100)

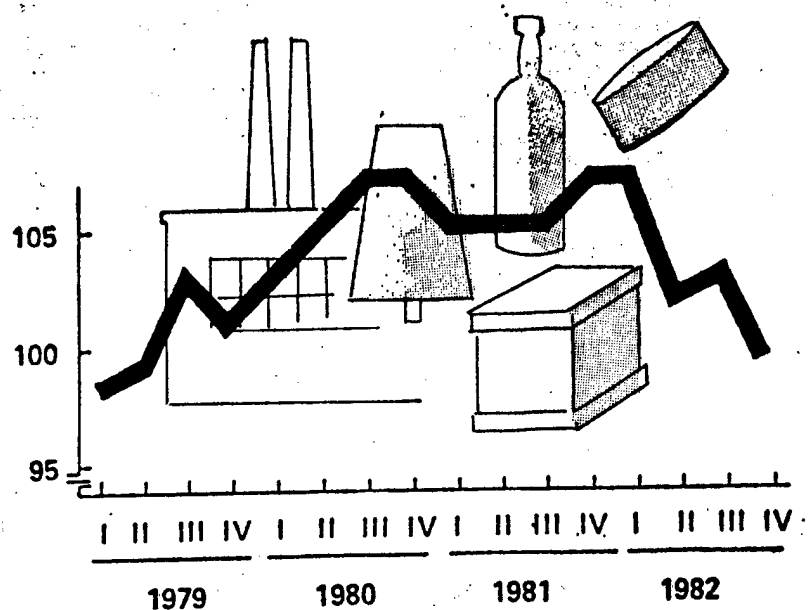


Key:

1. Minerals Production (1979=100)
2. Adjusted for Seasonal Differences
3. Industrial Production (1979=100)
4. Adjusted for Seasonal Differences

* Desestacionalizada. (2)

(3)
PRODUCCION MANUFACTURERA *
 (1979 = 100)



* Desestacionalizada. (4)

BRIEFS

INFLATION DECREASES IN MAY--The inflation rate went down in May to a level of only 4.9 percent, which shows a clear decrease compared to the previous months of this year. This was stated yesterday /27 May/ by Fernando Schwalb Lopez Aldana, prime minister and minister of foreign relations. Schwalb, who made the announcement even before the end of May, stated that these satisfactory results for the country and its economy were due to the efforts made by the nation as a whole, under the leadership of the government, to reduce public expenditures and reorganize the economy and state finances. The prime minister made these remarks after a meeting of the cabinet. He mentioned a report which he said the cabinet had just received, along with other data, from Carlos Rodriguez Pastor, the minister of economy, finance, and commerce. In another part of his statement Prime Minister Schwalb declared that the government has been studying a readjustment of pay in the public sector and in the nonunionized private sector. He announced that this areadjustment will take place in a few days, but will be made retroactively effective to 1 June. In this respect he announced that a committee made up of representatives from various sectors of the economy has been charged with determining the guidelines affecting the new readjustment of salaries. On the other hand he pointed out that the increases which have been announced in the pay of members of the police force will be met out of savings which the sectors that benefit will carry out, "so that these increases will not result in greater inflationary pressure or require new taxes which would affect the economy of the people." /Text/ /Lima EL COMERCIO in Spanish 28 May 83 p A-1/ 5170

CIVIL AVIATION SCHOOL ANNIVERSARY--The National Civil Aviation School yesterday /24 May/ celebrated its 25th anniversary. On this occasion Col (Air Force) Apolinario Figueroa, the school's director, announced plans to buy turbo-prop aircraft over the next 2 to 5 years in order to modernize the school's fleet of aircraft and place it on the high technical level of world aviation. Colonel Figueroa said that it is intended to establish a civil aviation air region in time of war. In peacetime this would be a rich source of reserves which are so necessary for national defense. During the anniversary ceremony at the Peruvian Air Force Base at Collique, the location of the National Civil Aviation School, he said that it is a matter of pride for the school that during the 25 years it has been in existence it has never had a fatal accident, a unique development in the country. He pointed out that this achievement is not a spontaneous incident but rather is the result of a long effort. The experience developed during this long effort has been turned over to the students. At present there

are more than 300 commercial pilots who have graduated from the school. He then thanked the high command of the Peruvian Air Force; the former directors of the school, who tried to place civil aviation in a prestigious position; the instructors, whose experience has been vital to the proper training of the future pilots of the commercial aviation industry; the teachers in the school; and the devoted labor of the secretaries who have specialized experience in aeronautical matters. Lt Col (Air Force) Luis Abraham Caravelino, representing the Ministry of Aeronautics, emphasized the importance of the National Civil Aviation School. He said that the achievements of this center of education are the result of the determined efforts of all persons concerned in it. [Excerpts] /Lima EL OBSERVADOR in Spanish 25 May 83 p 9/ 5170

SENDERISTS RECRUIT YOUNG VENDORS--Ayacucho, 30 Apr--Minors goaded by need and hunger are used as spies by subversive criminals. They (the minors) receive payment from the terrorists for any type of information related to the movement of the forces of order. The minors who are under 17 years of age earn a living as bootblacks and vendors of magazines, cigarettes and candy. This gives them access to the police stations. This was established after the arrest of 14 terrorists including 8 minors. The most belligerent of them, Jorge Quispe Taco, acted as "lookout" in the assassination of GC [Civil Guard] Edwin Heredia Sotomayor last March in the Mercado Central area. Two other minors carried out similar tasks in the assassinations of GR [Republican Guard] Estanislao Chavez Ruelas and GC Pedro Villaverde Zuniga in January. [Text] [Lima LA PRENSA in Spanish 1 May 83 p 10] 7717

FISHING INDUSTRY HURT--Chimbote, 23 May--Industrial fishing production, fish for consumption and even self-employed fishermen are at a halt in this port due to the absence of fish. The reason is the high temperature of the sea caused by the "Nino Phenomenon" which is seriously affecting our northern coast. Some 2,670 fishermen and workers have been inactive for more than 2 months. Many of them are working at other activities to earn a daily living, according to those affected. At the port of Chimbote, about 215 trawlers have been paralyzed. Until a short while ago, they were used to catch all types of fish, especially sardines and tuna for the flour and canning industry and for direct human consumption. Approximately 100 launches used by individual fishermen near the coast are in the same situation. The lack of fish has also caused a halt in the work at the flour and canning factories. The only fish being caught in this port are the "perico" and the "loro," warm-water fish, which are supplying the domestic market in a limited way. The fishing terminal in this city is empty and several refrigeration cars have been parked for several days in the area. The Chimbote fishermen reported that the port is being visited by fishermen from Paita, Sullana and other northern ports. They arrived with their boats, confident of finding fish in this area. These boats are now anchored with the Chimbote launches. [By Victor E. Rodriguez Olaechea] [Text] [Lima EL COMERCIO in Spanish 24 May 83 p A-1] 7717

CSO: 3348/422

HUDSON-PHILLIPS ACCEPTS SENATE SEAT, PLEASING CONSTITUENTS

Invitation From Panday

Port-of-Spain TRINIDAD GUARDIAN in English 9 May 83 p 1

[Text] Mr. Karl Hudson-Phillip is to be made a senator, Political Leader of the Organisation for National Reconstruction (ONR) Mr. Hudson-Phillip told his party's convention yesterday he was taking up an invitation by Opposition leader Basdeo Panday to enter the Senate.

It is not known which Opposition-appointed senator will resign to make way for Mr. Hudson-Phillip's entry into the Senate.

Mr. Hudson-Phillip told the convention, held at St. Augustine Senior Comprehensive School that Mr. Panday informed him it was necessary for the true voice of the National Land Tenants' Association to be heard, since the draft amendments which had been prepared by him (Hudson-Phillips) was not fully accepted by the Government.

In this regard, Mr. Hudson-Phillip said he would accept the senatorial appointment to debate the Bill.

The ONR Political Leader told the crowd that the Alcoa issue was being used by the People's National Movement (PNM) to gain some forum for going into the Local Government elections, since "all the cards were stacked against them."

"I stand for the principle of integrity, and I will stand for what is right," Mr. Hudson-Phillip told the crowd. "I had done this in 1973, and I will continue to do this again."

Mr. Hudson-Phillip described himself as the chief architect of the accommodation talks with the Alliance, and explained that it was because of the possibility of the coming together with the Alliance "that the Alcoa issue was being used by the PNM to fight Karl Hudson-Phillip."

However, he said there was sufficient proof available that there were PNM elements within the ONR, bent on destroying the party and creating confusion.

He spoke briefly about the many issues he had to fight to protect freedom of speech and economic security of the population, specifically the TTT issue about refusal to be allowed to speak, which started in the High Court last week.

The announcement of Mr. Hudson-Phillip's acceptance of a senatorial appointment to debate the Land Tenants Bill was greeted by tumultuous applause, and a double standing ovation.

The convention also endorsed the views of the Political Leader and the Deputy Leader that accommodation should be pursued.

It also found it unwise to name candidates, or to declare its intended strategy, in view of the fact that the PNM had not announced the date of the election, as it was believed that accommodation talks would have broken down.

Deputy Leader of the ONR, Mr. Suruj Rambachan told the convention about Government's position with regard to its finances, and indicated by the end of 1983, Government's cash reserves would be completely depleted.

He warned that the attempt by Government to raise \$800 million on the local market would dry up further liquidity and affect business expansion and, consequently, employment levels.

Mr. Rambachan told the audience that Government was the primary party to retrenchment in the country.

Reaction in South

Port of Spain TRINIDAD GUARDIAN in English 10 May 83 p 7

[Text]

SAN FERNANDO:

SAN FERNANDIANS were "happy" over the proposed appointment of Mr Karl Hudson-Phillips, political leader of the Organisation for National Reconstruction (ONR) and Legal Adviser of the Land Tenants Association to the Senate, particularly for the debate on the Land Tenants Amendment Bill.

Southerners saw the move as a good sign on "accommodation" for the upcoming Local Government elections in which San Fernandians hope a joint team rather than separate entities would oppose the People's National Movement. (PNM) no date has yet been given for the elections.

Last Tuesday, the Borough Action Team (BAT) in "reporting to the people" at Irving Park, San Fernando, declared that it was "thoroughly in favour" of the plan not to fight the PNM on separate grounds but as a single, co-ordinated and cohesive force to ensure the removal of the ruling party."

It was reported that Mr Hudson-Phillips would be nominated in place of

the ailing Senator Nuevo Diaz. People everywhere in San Fernando said they would be looking forward with "keen interest" to the debate in the Senate.

Mr Nazim Muradali, former MP, speaking for BAT, said yesterday that he was "extremely happy" over the matter. He said that BAT had been seriously concerned, like the rest of the country, about the Land Tenants' Bill and "we are happy to see that Mr Hudson-Phillips will be given opportunity to debate the bill when it goes before the Senate."

UNITY TALKS

He said, too, that BAT was pleased over the progress being made towards a "system of accommodation" for the local elections, especially since the Borough Action Team had been to some extent responsible for initiating unity talks that led to the establishment of the National Alliance comprising the United Labour Front, Democratic Action Congress and Tapia.

Said Mr Muradali: "We in San Fernando are confident that if that accommodation is found and together the PNM is opposed, the San Fernando Borough Council will once again revert into competent hands and the welfare and interest of the burgesses would be properly served."

INCIDENT INVOLVING ARMY IN ICACOS SPARKS GOVERNMENT ACTION

Call for Probe

Port-of-Spain TRINIDAD GUARDIAN in English 10 May 83 p 1

[Text]

THE POLICE and the Army are jointly investigating a fracas in Icacos which left five people, including a mother-to-be seriously hurt when soldiers went on a rampage last week.

Opposition Member of Parliament Nizam Mohammed yesterday visited the fishing district to get details for a motion he is filing on the matter in the House of Representatives on Friday.

The fracas was sparked off by a row in the village, the Police said, and culminated with a resident, who is a soldier, summoning agues from Siparia.

Five people were hurt, jewels were stolen and several others were threatened when the soldiers arrived and started firing shots in the air.

Within 24 hours of the fracas, a house valued at \$3,000 was destroyed by fire in what investigators said was connected with the disorderly incident.

Over the weekend, Police increased their patrols on the fishing district, well known as a landing point for illegal immigrants, and imports of guns and drugs.

Superintendent Peter Richards, head of the South Western Division who led a party to Icacos, said a soldier had a row with a villager and left for his colleagues in Siparia who

returned the same day last Wednesday and started a reign of terror on the small village.

Villagers scamped in all directions and during the incident it is alleged that several villagers were attacked inside their homes and beaten.

Police said five persons including a pregnant woman were all medically treated. The police report also revealed that another woman reported that she lost articles including jewels valued at more than \$5,000.

NOT ACCIDENTAL

And on Friday evening a small wooden house owned by Mantoor Ramdhanie and tenanted by Dominique Edwards situated at Icacos was destroyed by fire which, according to reports from the fire department, "was not accidental".

The house was valued at \$3,000, and articles lost were put at \$2,000. Police believed that the burning of the house was in some way connected with the reign of terror on Wednesday evening.

It was learnt that apart from the Police, a senior officer from the Defence Force also visited the area and is conducting further investigations to the incident.

Police are investigating the report

that the soldiers who took part in the incident are stationed at Siparia. As a result of the incident Police are patrolling Icacos district regularly to prevent a recurrence of the problem.

Meanwhile, Rep. Nizam Mohammed (Tabaquite), chairman of the United Labour Front, said he was very concerned over the safety and welfare of the citizens in this little district in the deep south. He visited Icacos yesterday evening to make an on-the-spot investigation and collect information in preparation for a motion he intends to file in Parliament.

"The pregnant woman was seriously assaulted", commented Mr. Mohammed.

Villagers' Tales

Port-of-Spain TRINIDAD GUARDIAN in English 11 May 83 p 7

[Text]

SAN FERNANDO:

YOUNG CHILDREN screamed and scamped for security. The women folk stood in fear as army officers rampaged through the quiet fishing village of Icacos, seeking their victims and punishing them.

Jerry Dookhoo, a 38-year-old father of two said: "I was standing in the yard drinking a cup of tea when a group of uniformed soldiers surrounded my house.

"One of the soldiers asked: 'Are you Jerry Dookhoo?' I said 'yes.' He knocked the cup out of my hands. One of the soldiers whom I had known since he was a little boy shouted to me: 'Run Jerry let me shoot you.'"

Mr. Dookhoo, a County Council labourer and a fisherman, said the soldier armed with a gun, marched him to an army vehicle, registered number 3TTR 48.

He said that he was kicked and beaten on the head with the soldier's gun.

Ramdaye Ramdass, 61, said: "I was standing under my house when the soldiers came. One of them said that they were going to search my house. I told them that they could not search in the absence of my husband. One of the men held on to my hands and attempted to climb the stairs. I pulled my hand away.

"Two of the soldiers went upstairs. I shouted for them to leave and shortly afterwards they left.

Latchmin Sumai, 23-year-old daughter of Kumar Sumai, reported that the soldiers surrounded their house and demanded to see her father.

"Fortunately, my father was in the sea fishing at the time."

She said that she told the soldiers so and they left.

The Icacos villagers said that having sought a number of villagers the soldiers made ready to leave taking with them Dookhoo, Vishnu Bhaggan and Jaggernauth Samaroo.

However, the 61-year-old Ramdaye Ramdass mother of 12 had already dispatched one of her sons to fetch his father and report the matter to the Cedros Police.

In the meanwhile, Gobin Ramdass, owner of a cold storage plant in Icacos, parked three of his trucks across the road. Two villagers assisted in blocking the road while they waited the arrival of the police.

The soldiers were shocked when they arrived at the roadblock. They pointed guns and demanded that the vehicles be moved immediately, residents said. Then the fracas began.

A pregnant Sandra Ramoutarsingh, said that she watched the soldiers beat her husband Premchand. She fetched an instant camera and began snapping pictures.

"The soldiers snatched the camera out of my hands. One of them pointed the gun to my stomach. I grabbed the camera and pulled it away. I fought to remain conscious," she said.

Panday Reaction

Port-of-Spain TRINIDAD GUARDIAN in English 11 May 83 p 7

[Text]

SAN FERNANDO:
SOLDIERS who allegedly "terrorised" the villagers at Icacos last Wednesday evening should be removed immediately if they were, in fact, stationed in the south.

In addition, a full investigation should be held into the matter,

said Opposition Leader Basdeo Panday.

"What was created at this fishing village was nothing short of terrorism against the poor people of the peace-loving district," Mr. Panday stated.

Member of Parliament Nizam Mohammed (Tabaquite) made an on-the-spot investigation.

Charges Against Soldiers

Port-of-Spain TRINIDAD GUARDIAN in English 12 May 83 p 1

[Text]

EIGHT soldiers from the Trinidad and Tobago Regiment are facing several charges arising out of an incident which took place last May 4 in Icacos.

The men are to appear in a Cedros Court on Tuesday, May 24, to answer charges ranging from assault to discharging firearms.

The charges have been laid by Superintendent Peter Richards, head of the South Western Division.

Police Commissioner Randolph Burroughs yesterday announced that formal charges had been laid against a sergeant and seven privates of the Regiment.

The men are based in Siparia and the

offences were alleged to have been committed on Wednesday last week.

Mr. Burroughs said the charges are common assault; assault and battery; malicious damage to a motor car and discharging firearms within 40 yards from the road.

The charges followed a report made to the Cedros Police that villagers were threaten by a group of men dressed in army uniform.

The incident has been investigated by the Police and the Regiment. Since last week Wednesday the Cedros Police have been making regular patrols in the district which is seven miles away.

FURTHER TOBAGO DIFFERENCES WITH TRINIDAD SURFACE

Problem of Assembly Staff

Port-of-Spain TRINIDAD GUARDIAN in English 6 May 83 p 6

[Text]

SCARBOROUGH:

THE contral of staff at the Tobago House of Assembly is one of the major stumbling blocks to good relations between the central Government and the Assembly.

According to Hochoy Charles, Assembly Leader, it is one of the matters which is being given priority rating by the assembly in its talks with Prime Minister George Chambers.

"Staff loyalty is divided," Mr. Charles told a political meeting of the Democratic Action Congress (DAC) held at Mason Hall on Tuesday night.

"Government does the hiring and firing. We can't even discipline our own staff. That is what we are seeking to change and I'm sure that Tobago will win out," he said.

He said when the assembly came into existence two years ago it discovered that it was saddled with staff who under the old government-controlled regime did what they like and very little of it.

He accused the government of setting up a staff structure at the assembly "where they appointed their own kind as agents."

The key positions in the assembly, he said, were filled with "government agents who at every turn tried to frustrate the assembly."

In the early stages, said Mr. Charles, "these people, our own employees, were not even talking to us. It was a battle on a daily basis but we stuck to our guns and we

have won some of them over," he added.

But there are still people in key positions who have been there for the past 27 years and who are accustomed to the old system and are still trying to sabotage our efforts, said the assemblyman.

When the assembly came into existence, he explained, it was recognised that there was very little training being done. Wherever there was a job to be done, the experts came from either Trinidad or overseas, got the job done and left, taking with them their expertise.

The assembly recognise that this could not continue, said Mr. Charles, and insisted that it should train its own people.

Today, he boasted, workers at all levels, foremen and supervisors — are being trained and right now there is a German expert conducting such a course.

"The days of the transient expertise are over," said Mr. Charles.

"We are insisting that our people be trained and equipped to do the work."

But the assembly, he said, was still critically short of professional staff.

He said, for example, the works division had only three engineers to supervise constructions and repair some 86 miles of main road plus another 86 miles of secondary roads.

Despite that handicap, the assembly had done more road instruction and repair work than the old regime had done in decades.

Government Action on Staff

Port-of-Spain TRINIDAD GUARDIAN in English 10 May 83 p 3

[Text]

GOVERNMENT has introduced a Bill in the House of Representatives to bring the staff of the Tobago House of Assembly under the jurisdiction of the Public Service Commission.

The Bill will amend the Constitution of the Republic and will require the votes of two thirds of all the members of the House of Representatives and of the Senate.

According to the Bill, it is proposed that section 121 of the constitution be amended to include the "offices and staff of the Tobago House of Assembly."

The Bill was introduced at Friday's meeting of the House of Representatives when the report of the Tobago House of Assembly was laid in Parliament.

DEWD Issue

Port-of-Spain TRINIDAD GUARDIAN in English 7 May 83 p 6

[Text]

THE Developmental and Environment Works Department (DEWD), is playing havoc with the traditional honest work ethic of Tobagonians, and the Democratic Action Congress which is in political control of the island is worried.

At a public meeting at Mason Hall three members of the Tobago House of Assembly and two DAC Members of

Parliament all spoke out about the destructive effects of the DEWD.

Miss Pamela Nicholson, MP for Tobago East, bluntly told her listeners that "many of you go to work and spend one or two hours and go home. We cannot build Tobago that way," she declared.

"These are critical times," she said.

Plan for Independent Sports Council

Port-of-Spain TRINIDAD GUARDIAN in English 9 May 83 p 34

[Text]

TOBAGO is not getting its fair share of national funds to promote and encourage sports in the islands.

Very often, too, its sporting figures, whether athlete, cricketer or footballer, are overlooked on the national scene. And above all, there is a serious lack of playing facilities.

As a result, Tobago wants to establish its own Sports Council and towards this end, a conference is to be held on Friday May 20, at the Mt. Irvine Bay Hotel.

Officials of the Ministry of Sport in Port-of-Spain, among them the Permanent Secretary and Mr. Cecil Walker, the Director of Physical Education, are to be invited to the Conference which will be opened by Mr. A.N.R. Robinson, Chairman of the Tobago House of Assembly.

Councillor Dr. J.D. Elder, who is chairman of a steering committee appointed by the Assembly to draw up plans for the Sports Council, told the Trinidad Guardian, that once the Sports Council is established, it will seek to bring under its umbrella the

village sports councils which are now being organised by the Community Development division of the Assembly.

UNATTACHED GROUPS

"Participants at this conference will come from all the clubs, sports leagues and sporting associations in Tobago," explained Dr. Elder. Unattached groups, he said, will not be left out, and are being specially invited to attend.

Working papers on- (1) "Objects of the Conference," (2) "Rationale for a Tobago Sports Council" and (3) "Structure of the Tobago Sports Council" will be presented by members of the Steering Committee which include Dr. Hilton Clarke, Mr. Victor Wheeler, Principal of the Signal Hill Comprehensive School, Assemblyman George Archer, Mr. Ian Daly, school teacher, Miss W. James, Mrs. Chukwu Ozoruo, Signal Hill Physical Education Officer and Mr. Orville London.

Mr. Lincoln Warner, Principal of the Scarborough Comprehensive School, who is also a member of the Committee, will be co-ordinator of the conference.

An Assembly paper setting out its rationale of the Tobago Sports Council, stressed that over the past ten years, sporting organisations in the island have been beset by problems.

Top on the list is the inadequacy of playing facilities. "In addition to the obvious effect that this has had on the individual sports, there has often been conflicts among the various groups and organisations over the use of the available playing facilities," noted the paper.

Lack of funds, too, has been a major setback. "All Tobago sporting organisations have suffered from a lack of adequate funding," said the document. "Many groups and organisations have complained that they do not receive their fair share of either government or private expenditure in the particular sport."

"Then, too, only the 'glamour' sports are able to interest the private sector in any form of sponsorship," it added.

LACK OF AUTONOMY

The paper complains of lack of autonomy, explaining that because of the type of links which exist between local organisations and the national bodies, Tobago-based organisations are often frustrated in their efforts to develop the sport along the lines which would bring optimum benefit to the participants.

The Tobago Sports Council, it is felt, would bring cohesion to sports in the island as there is very little effort now to integrate the programmes of the various sporting organisations.

The lack of administrative personnel, coaching and referees and umpires training programmes have all plagued sports in Tobago with the result that athletes and players have become frustrated and spectator interest at all levels has dropped.

Dr. Elder feels confident that when the Tobago Sports Council is established, many of the problems which now affect sport in the island will be alleviated if not removed completely.

At the Mr. Irvine Conference, which will be an all-day affair, an exhibition of photographs of past and present Tobago sports personalities, will be mounted. And Dr. Elder is asking people in possession of such photographs to loan them to the Assembly for showing.

CSO: 3298/653

GUARDIAN DECRIES SPIRIT OF ANARCHY AT ALL LEVELS

Port-of-Spain TRINIDAD GUARDIAN in English 9 May 83 p 8

[Editorial]

[Text] IN THEIR desperate circulation war and interpersonal antipathies, the weekly newspapers have thrown not only discretion but also professional propriety to the winds. This is all the more disturbing because it is the kind of recklessness and impudent irresponsibility we see assuming almost epidemic proportions at every level of national life.

It almost appears as if some kind of malediction has been pronounced upon us; a spirit of anarchy is abroad and nothing in our society seems anymore to be holy or sacrosanct or deserving of respect; no one, regardless of his office or his position, is immune from the grossest form of insult, calumny or denigration.

CONVENTIONS

We see the decay in the House of Representatives, the nation's most august forum, where procedures and conventions have been tossed through the window, where debates deteriorate into cussing matches at anybody's whim and where the Speaker is now roundly and ritually abused.

We see it among so-called responsible trade unionists who encourage defiance and lawlessness among workers

and even declare them heroes and award them "medals of honour" when these workers are found guilty and jailed for their brazen contempt of court.

We see it among the country's youth who could now find nothing better to do than to imitate the senseless ghetto gangsterism of American cities fed to them through local movie houses. We are at a loss to account for this form of juvenile violence. Are our young people being deprived of any opportunities to develop themselves? Are they being oppressed in any way? Or is this a new way of getting their kicks?

Now we see a shocking display of the anything-goes attitude in the shameless invasion of the privacy of Dr. Ken Julien by two persons claiming to be reporters. Not only did these two "journalists" climb over the fence to get into the beach house Dr. Julien is building at Toco, but when they were discovered and told to leave they proceeded to make "subtle" threats about continued harassment and hints of blackmail" if he did not provide them with adequate information.

In his letter to the Prime Minister complaining about the incident, Dr. Julien

says: "I regard this incident as an extreme invasion of privacy of a private citizen who happens to be in public service activity. It was never the price I had intended or agreed to pay for providing such public service as I have been asked to."

As far as we are concerned, it is also the kind of license that could never be excused or justified in the name of the freedom which the Press enjoys in this country as a constitutional right. In fact, we regard it as the kind of flagrant breach which could only serve to strengthen the arguments of those who would seek to impose restraints on the operations of the communications media.

The Press in this country has enjoyed a level of freedom that is the envy of most other developing countries and, in fact, is in keeping with the highest traditions of the business in any other civilised society. We hope that all those engaged in it would seek to appreciate its value, its scope and its limitations.

CSO: 3298/655

SUGAR INDUSTRY REVITALIZATION, BIGGER CROPS URGED

Farmers' Group Recommendations

Port-of-Spain TRINIDAD GUARDIAN in English 10 May 83 p 4

[Text]

SAN FERNANDO:
NORMAN GIRWAR, legal adviser of the Trinidad Islandwide Cane Farmers Association (TICFA), has recommended an annual production of 150,000 tons of sugar in the local industry.

The 1983 crop is expected to yield 81,000 tons.

Mr. Girwar recently returned from a four-day conference in London. The conference was attended by 100 delegates from ten sugar producing countries.

"Too many people depend on sugar for a living. We must ensure that the sugar industry is not destroyed," he said.

Mr. Girwar estimated 55 tons for local consumption, 73 tons for export to Britain, 19 tons to the United States and three tons to other Caribbean States.

He said, "Six years ago Trinidad produced 200,000 tons of sugar.

There is no reason why we cannot meet that production figure again".

At an interview at his San Fernando office, Mr. Girwar said that the sugar conference aimed at fixing a new International Sugar Agreement.

Speaking on the marketing of sugar, he told the conference that over 12,000 people depended on the sugar industry for a livelihood in Trinidad.

In European countries, he said there are options open to farmers.

"European farmers can grow alternative crops like beet, wheat, rye, and cabbages and make the same amount of money but in Trinidad we have a limited choice, he said.

Mr. Girwar said that Trinidadians must consider the disaster that will accompany the demise of the sugar industry in these parts.

Sugar, he said, is still the best crop to grow locally.

Farmers' Current Losses

Port-of-Spain TRINIDAD GUARDIAN in English 6 May 83 p 7

[Text]

SAN FERNANDO:
CANEFARMERS are expected for the first time to get out all their canes but will still experience substantial losses.

Stating that yesterday, Mr. Boodram Jattan, of the Islandwide Cane Farmers Trade Union, said that farmers were hard hit by unplanned fires, late payment of

the final interim price and smut disease.

He said that farmers' canes for 1983 was estimated at 485,000 tonnes but the figure had been reduced to 415,000 tonnes.

Mr. Jattan, who is a Caroni director said he intends to put forward certain recommendations to the board with a

view to encouraging the farmers to plant more canes and to keep the industry alive and viable.

He wants Caroni to sell cane plants at such a price so that the farmers will be encouraged to plant more canes.

He recalled that last year the company sold plants at \$135 a ton and

the price fixed for this year was \$145 a ton.

Mr. Jattan said that he got the board to agree to reduce the 1983 price on cane plants to farmers to \$100 a ton. He also intends to make recommendations calling for the supply of smut resistance plants and equipment to service the farmers fields.

CSO: 3298/655

NO AIRPORT RUNWAY WORK 2 YEARS AFTER CONTRACT APPROVED

Port-of-Spain TRINIDAD GUARDIAN in English 9 May 83 p 6

[Text]

SCARBOROUGH, Mon:

TWO years ago the government awarded a contract to a Canadian company partnership with Alves Contracting company of Trinidad to rebuild the runway at Crown Point Airport.

But according to Hochoy Charles, leader of the Tobago House of Assembly, not a stroke of work has been done with the result that the runway keeps deteriorating daily.

Despite repeated calls by the Assembly to have the contract enforced legally, the government has done nothing, said Mr. Charles.

Mr. Charles was speaking recently at a political meeting of the Democratic Action Congress (DAC) at Mason Hall. Theme of that meeting was "Tobago Demands Honest Government" and after speaker referred to widespread corruption within the ranks of government ranging from the well-publicised Sam P. Wallace scandal to the pernicious system of workers particularly women having to pay with money or other-

wise for jobs on DEWD projects.

Crown Point Airport, said Mr. Charles, was vitally important to the people of Tobago, for while Trinidadians used it for holiday travel, Tobagonians depended upon it for their very livelihood having to travel to Trinidad for almost every single thing.

He said the Assembly had prepared a contingency plan for the airport and presented it to the Prime Minister but got no action.

Meanwhile, the Works Division of the Assembly has to be running to the airport day after day and even at nights to patch the runway involving overtime pay to workers on

many occasions with not a cent being reimbursed by government to the Assembly.

Tobago, he said, had all the raw materials necessary for its building programme—whether it be roads or the runway at the airport. But there was no crushing plant to reduce the stones to the aggregate needed for construction.

And here again, he said, it was dishonesty on the part of the government which has caused such a situation.

The Assembly, he explained, had provided in its estimates for a crushing plant and quarry operations.

CSO: 3298/655

LABOR GROUPS COOPERATING IN BATTLE TO SAVE JOBS

Port-of-Spain March

Port-of-Spain SUNDAY GUARDIAN in English 8 May 83 p 1

[Article by Clevon Raphael]

[Text] Trinidad and Tobago Labour Congress and the Council of Progressive Trade Unions will meet on Friday to draw up a common plan to battle retrenchment and other pressing issues facing workers in the country.

This was announced yesterday afternoon by Mr. Cecil Paul, general secretary of the CPTU, who was at the time addressing thousands of workers who had assembled at the Seamen and Waterfront Workers Trade Union (SWWTU) compound after a one-hour march through the streets of Port-of-Spain.

The meeting, which was addressed by almost all the top grade union leaders in the country, was the culmination of the demonstration organised by the SWWTU to protest against retrenchment, corruption in high places, inflation, attacks in the news media on the labour movement and related matters.

The general theme from the time the thousands left the SWWTU headquarters for the trek along Tragarete Road, Park Street, Frederick Street, Independence Square South and back to the SWWTU base at Wrightson Road, was that Government and the business sector were oppressing workers.

The private sector was accused on placards and by chants from the marching workers of using recession as an excuse to fire workers.

Mr. Basdeo Panday, Opposition Leader in Parliament and president general of the All Trinidad Sugar and General Workers Trade Union, who was given a rousing welcome to the microphone, said "firing" a worker was tantamount to capital punishment against the employee.

The labour movement, he declared, was in a state of war--employers and the government being the enemies.

He said since war was declared on the labour movement the workers had to take the necessary steps to fight that war, and that yesterday's event was the start of the fight back--"the resistance was now on."

Workers and leaders of the several unions left the SWWTU headquarters approximately 4,000-strong and were joined by many more along the route. Store workers temporarily left their jobs and took a "quick march", only to hustle back to their work.

Government was accused of "strangling the workers" by refusing to enact legislation to protect workers against retrenchment and one placard read: "Georgie Porgie, puddin and pie tax the workers and make them cry." And sections of the chanting workers called for the resignation of the Government.

Political leader of the ONR, Mr. Karl Hudson-Phillips, who is representing the management of ALCOA, in the dispute with the SWWTU, was also criticised for performing that function while aspiring to become Prime Minister.

Locked Arms

Among those who locked their arms and walked together along the route were Mr. Panday, Mr. Michael Als, president general of the Bank and General Workers Union; Senator Vernon Glean, president of Congress and the SWWTU; Mr. Clive Nunez, president general of the Transport and Industrial Workers Union; Mr. Lyle Townsend, secretary general of the Communication Workers Union; Mr. Flavius Nurse, general secretary of the Amalgamated Workers' Union; Mr. Carl Tull, general secretary of Congress; Arnim Greaves, president of the Public Service Association (PSA); Mr Selwyn John, general secretary of the National Union of Government and Federated Workers Union and Mr. David Abdulah, research and education officer of the Oilfields Workers Trade Union.

General secretary of the SWTU, Mr. Francis Mungroo, who chaired the formal session, said ALCOA workers would not report for duty until the union and the company signed an agreement satisfactory to the locked-out employees.

He said in the past the labour movement had been peaceful, tolerant and disciplined, waiting on the powers-that-be to remedy the major ills facing workers, such as amending the Industrial Relations Act, but without success.

Mr. Als said Governemnt was hiding statistics from the public which, he said, showed that from January 1982 to March 1983, some 53,000 workers from the public and private sectors had lost their jobs through retrenchment. While the private sector was sending workers home, he said, profit margins were increasing astronomically.

"Are we responsible for retrenchment?" he asked? If this Governemnt cannot run this country, the workers will."

Caroni Cutbacks

Port-of-Spain TRINIDAD GUARDIAN in English 10 May 83 p 4

[Text]

SAN FERNANDO:
STATE-OWNED
Caroni (1975) Limited has
formally informed All

Trinidad Sugar General
Workers Trade Union
that it will be closing

down the Reform and Woodford Lodge Sugar factories at the end of this month.

Mr. Basdeo Panday, president general, said that the union was so informed recently.

He noted that with the closure of both factories more than 700 workers will be retrenched. However, he said that the union was continuing its call

to Government to give tax concessions to the retrenched workers retroactive to January this year.

Caroni has, so far, retrenched more than 200 workers resulting from the company's plan to amalgamate certain cultivation "gangs". Those workers have already been paid their severance benefits.

Quiet on Texaco Front

Port-of-Spain TRINIDAD GUARDIAN in English 9 May 83 p 7

[Text] San Fernando, Mon--A quiet atmosphere now prevails at the operations of Texaco Trinidad Inc. as company, workers and Oilfields Workers Trade Union await approval from Government concerning the proposed tax concession in connection with retirement money.

The matter is now before Parliament and should be approved shortly. The concession being sought will be that no tax shall be payable on the first \$80,000 and that was agreed upon by the company and union recently, approval of which must be given by government.

However, according to the agreement on early retirement the parties agree that no such retirement shall be effected before the government conveys authority to the company to effect payment on the amount free of tax.

Retirement of more than 800 workers will be done on a phased basis and the exercise is expected to be completed within three months, effective May 1, 1983.

And since the tax concession is yet to be approved, the company has informed the workers concerned through a circular that those persons who are already aged 60 and over on the effective date of the agreement may continue employment.

With regard to their wages for the period worked on or after May 1, 1983, these will be paid in the usual way including routine deductions except for pension plan and saving plans contributions which will not be applicable.

Meanwhile, the operations of the company are continuing with throughput still at an average of 65,000 barrels per day in keeping with the arrangement by government for that level of throughput, with crude from Trintoc in addition to Texaco's own production.

Petroleum products are still flowing as usual.

CSO: 3298/654

BRIEFS

OPPOSITION UNITY TALKS--San Fernando--Some progress is being made on the question of accommodation between the National Alliance and other opposition parties. This was disclosed by Opposition Leader Basdeo Panday when he reported to the Central executive of the Alliance a few days ago on the talks being held. He told the meeting: "Talks were progressing quite satisfactorily. It is hoped that very shortly we should conclude our arrangements." The Alliance is seeking to have an arrangement with other opposition political parties, including the Organisation of National Reconstruction (ONR), headed by Mr Karl Hudson-Phillip, in preparation for the upcoming local government elections. If an "understanding" is reached, it would mean that the parties would not oppose each other. Instead, each will throw in support for the other. The Alliance and ONR have both announced candidates to contest the elections in certain constituencies. Mr Panday believes that if the opposition parties are to take control of the local government bodies, there must be unity among the parties coupled with a common understanding. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 6 May 83 p 7]

AIRPORT SECURITY--Scarborough--Crown Point Airport will soon be getting its own security force. An airport authority source disclosed yesterday that several young men and women have just completed a rigorous 15-week training course for security work. They will soon become part of the airport force. The 35 Tobagonians underwent training by officers from security police and fire services, and are now awaiting their uniforms before taking over from the Sentinel Guards in two weeks. At present, several of them are already on duty at the airport along with the Sentinel personnel. "It is the first time that we are having our own security force," said the source. "It will certainly place us in better control of the airport and the equipment." It is understood that the force will be under the command of Sergeant Rawle Fredrick. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 7 May 83 p 6]

CSO: 3298/655

DEBT RESCHEDULING TO INSURE DEMOCRATIC SURVIVAL URGED

Caracas NUMERO in Spanish 29 May 83 pp 12, 13

[Editorial: "The Next 7 Months"]

[Text] Public opinion has begun to perceive vaguely that the rescheduling of Venezuela's foreign debt is a major issue.

We can also see that the various sectors involved have different ideas about the most advantageous resolution of the problem. As far as the current administration is concerned, the terms of the agreement are not as important as not imperiling the ruling party's electoral chances. Democratic Action feels that it would be best to hammer out an agreement now, so that it would not inherit these arduous negotiations and also in the hope that it could utilize the outcome as a weapon against its political adversaries.

As far as the international banks are concerned--and this should be made perfectly clear--a rescheduling is possible on these two conditions: one, that an agreement be signed with the International Monetary Fund and that the government adhere to the fund's economic policy guidelines; two, that guarantees be given for the payment of the financial and nonfinancial private foreign debt.

The government's position is ambiguous, though it is beginning to become clear. Initially, there were only dollars at 4.3 bolivars to pay off the foreign debt, including the borrowing of the financial sector. Later, after intense pressure, the government agreed that, to the extent that foreign exchange was available, the nonfinancial private debt would be acknowledged. Now, the finance minister has made it crystal clear that that sector's debt is not the government's problem, which seems to put everything back to square one.

The situation is critical for industries and businesses with overseas debts. Their debts have doubled for all intents and purposes, and many of them are virtually bankrupt. Moreover, the System of Administered Prices, which is now more flexible, has as its function to prevent (or at least delay) all price rises.

It would be very risky to assert that the government has an economic policy to pursue from now until the inauguration of a new president. What it does have is a few ideas that have been luckier than others and that might be consistent with other designs.

Although no one has come out and said it, it stands to reason that the administration has to help the party in power win the elections. And if this is too much to expect, then the administration will set its sights lower: minimize the defeat and at all costs prevent a catastrophe at the polls.

What would such a government program consist of, regardless of the intentions ascribed to it?

No one has taken it upon himself to outline it in detail, but we can infer the major guidelines of the strategy from the stands, statements and behavior of certain government spokesmen.

We must first of all analyze the movement of foreign exchange. The fewer dollars leave the country, the stronger our internal position will be.

What are dollars spent on? There are three major categories.

In the first place, they are used to pay back the principal and interest on our foreign debt. The government already declared a 90-day moratorium and is supposedly reluctant to refinance the short-term debt. The explanation for this stand is simple: it would have to accept IMF involvement in domestic matters, which, as we will see later, is inadmissible under forthcoming conditions.

So then, if the government succeeds in postponing this issue for 1 more year by paying only the interest, dollars will obviously be saved. Arturo Sosa's statement that a rescheduling could take place during the third quarter of this year supports this hypothesis. Nevertheless, the government is not the only one moving the pieces in this amusing chess game. Seeing the reaction, the government last week endeavored, unconvincingly, to show that the rescheduling proposal is imminent.

The second drain on dollars is industrial and commercial imports. Thanks to the bold bureaucratic efforts of RECADI, the country will spend much less for these items in 1983 than in 1982, \$13.4 billion.

The most reliable estimates are that from 18 February to the present authorized imports have totaled around \$200 million. In previous years, the average monthly import bill for industry alone was an estimated \$600-700 million.

Shortages could, of course, occur, in which case the government would resort to massive imports under its direct control, food items in particular.

Along with this, domestic prices should not post major increases, hence the prior 90-day price freeze and now the System of Administered Prices. Once again, of course, the government is not the only player. Thus, faced with the threat of a massive revolt by industrialists and businessmen determined to up their prices no matter what, the administration had to yield and loosen up the system to allow some urgent boosts.

The third and final drain on dollars comes from the transfers of capital overseas and spending by travelers. The Central Bank has set quotas on the dollars that it hands over to commercial banks, and in addition to stabilizing the exchange rate, this has had two side effects. Since the supply of dollars is small and controlled, the amount of capital flight is not significant (among other things because people have shipped out almost all of the capital that they wanted to). The situation is not as bad for travelers, that large, complaining segment that comprises so many votes. Dollars are available, though they are more expensive.

There is hope that market developments will lead to a drop in the value of the dollar, which some experts say should be between 8 and 9 bolivars by October.

According to the "strategists of victory" in November, the dollar could be fluctuating between 7 and 8 bolivars a few days before the elections, even though it might mean using up a sizable portion of the country's foreign exchange reserves.

The Central Bank also abandoned its policy of restricting the money supply last week. The increase of 5 billion bolivars in circulation could create the false sense of a boom.

Another problem is that the long-term debt of government agencies and enterprises is estimated at around 40 billion bolivars. The only way to pay back some of this debt might be to issue a new series of government bonds, which the Central Bank would hypothetically have to soak up.

Many economic analysts are venturing to say that if these assumptions were to be borne out, the administration would have to resort to printing paper money. This is allegedly the basic reason why the IMF cannot possibly be allowed to interfere in this stage. Any pact with the fund would entail an immediate cut in government spending, a severe slashing of government payrolls, strict control over the money supply (and, of course, currency issues) and a policy of decontrolling prices that would hurt most people in the short run.

Aside from whether these policies could be faithfully carried out, it is obvious that there are major forces prepared to oppose them.

Although the financial sector is guaranteed a dollar at 4.3 bolivars to pay back its overseas commitments, the industrial and commercial sectors are not. These sectors could be pushed into unthinkable alliances in a bid to survive. In fact, the pressures by international banks for guarantees on the private foreign debt are the best tool that a very important sector of the national economy has.

The degree to which the administration is able to think clearly and act decisively over the next 7 months could dictate the course of the next 5 years.

If the foreign debt is not rescheduled; if the arrangements for the foreign debts of industry and commerce are not made clear; if a framework is not established for relations with the International Monetary Fund, then the next administration, regardless of who wins, could be faced with the gravest threats to our institutions since the advent of democracy 25 years ago.

8743

CSO: 3348/432

FINANCE MINISTER MEETS WITH GEORGE SHULTZ

Caracas EL DIARIO DE CARACAS in Spanish 25 May 83 p 35

[Excerpts] Finance Minister Arturo Sosa said that there would be "some interesting developments" in negotiations with foreign banks this week...The U.S. Government is not involved in the negotiations because banks in that country are private."

Finance Minister Arturo Sosa said that his trip to the United States "was an opportunity to tell my friend Secretary of State George Shultz all about the efforts that Venezuela has been making and that we hope to crown with success."

His statement at Miraflores Palace referred to his meeting last Monday in Washington with Shultz on rescheduling Venezuela's short-term foreign debt.

He stated that "Shultz is an expert in this area, because his previous post in the U.S. Government was secretary of the treasury."

He was asked about the role that the United States is going to play in this matter, because international banks, U.S. banks in particular, are the Venezuelan Government's creditors. His answer was:

"U.S. banks are the single largest group of creditors, but they are private, not government banks."

Minister Sosa asserted that "I do not think that the secretary of state is going to play any role," adding that "the secretary is a friend of mine, and I was interested in talking with him, because when I tried to do so on my previous trip to the United States, he was leaving for Lebanon, and when he got back, he called me."

He was asked how Shultz responded to his remarks. "He listened to them with great interest. This is not his sphere of action in the U.S. Government."

Minister Sosa mentioned the stand that Venezuela has taken in response to Treasury Secretary Donald Regan's position, stating that "I do not think that they could hamper the talks that Venezuela is holding to reschedule its foreign debt."

He added: "It was an attempt to clarify our position in light of some unfortunate remarks by an individual in the U.S. Government."

He noted this about the status of the negotiations on the foreign debt: "They are continuing, and I think that there will be some interesting developments this week, and when they take place, I will let you know."

He stressed that he would call on the International Monetary Fund when "the proposal is ready."

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CSO: 3348/432

BRIEFS

SOSA MEETS BANK CREDITORS--Finance Minister Arturo Sosa spent all of yesterday morning meeting with the Foreign Debt Advisory Committee, which consists of the Chase Manhattan Bank, the Bank of America, the Bank of Tokyo, Citibank, Lloyds Bank and the Commerzbank. The group, chaired by Chase Manhattan's Francis Mason, has been looking over the foreign debt figures and rescheduling arrangements, for which a special timetable is being put together. Sosa was accompanied by the Venezuelan negotiating committee, which consists of Mauricio Garcia Araujo, Gustavo Galdo and Hernan Oyarzabal. They completed a lengthy work session in which one of the main points was the groundwork for the proposal that the minister will submit next week to the entire group of banks with which Venezuela has loans that fall due this year. Sosa said that he would submit the proposal, which includes the IMF role in the rescheduling, to Congress this afternoon. The minister declined to give details on his meeting with the Advisory Committee but promised to furnish extensive information tomorrow, after he presents the proposal to Congress today. [Text] [Caracas EL NACIONAL in Spanish 26 May 83 p A-1] 8743

LOAN FOR AGRICULTURAL PROJECTS--The president of the Agriculture and Livestock Fund (FCA), Ismael Hernandez, returned to Caracas after securing a \$250 million loan from the Inter-American Development Bank for a government program to invest in agriculture. This is the first loan that the IDB has granted the country since 1974. Hernandez said that the IDB agreed to cosponsor a comprehensive program for investments in Venezuelan agriculture through the FCA. He went on to say that the program will not only help to expand farm and livestock output but will also have a major impact on the agroindustrial sector. Venezuela will make the formal request to the IDB in September of this year, and the money will likely come through towards the end of the year. The FCA is also preparing a bond issue to pay for the other part of the investment program. [Text] [Caracas EL NACIONAL in Spanish 26 May 83 p A-1] 8743